Weekly Compilation of

Presidential Documents

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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

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Week Ending Friday, February 10, 2006

Remarks Following a Visit to the School of Science and Engineering in Dallas, Texas

February 3, 2006

First of all, it's such an honor to be here at this school. Thank you all for coming. Every good school requires a couple of things: one, a good principal—thank you for doing that—and great teachers and good support. That's a super tie; thanks for being here.

Laura and I are here because we believe it's important to spread AP classes all around the country. This is a unique place. The students here are really impressive people. They have decided to focus on the sciences and math and engineering. And this school helps lift their sights—and one way it does so is to encourage them to take AP.

We want more AP students because we want more engineers and scientists that are able to compete with other students around the world. And so one thing the Government can do is help train 70,000 teachers all around the country so that they can teach students Advanced Placement.

We also want to encourage scientists and chemists and physicists to come into the classrooms all around the country to excite students about the possibilities of science and engineering. And the reason why is, in order for America to be a competitive nation in the years to come, we have got to have a workforce that is strong in engineering and science and physics. You know, some would hope that the competition around the world will go away—it's not going to. And so we have a choice to make: Do we want to retreat, become protectionist, or do we want to seize the moment and shape our future?

And so the American Competitiveness Initiative I've outlined says that America will continue to lead; we'll shape our future; and we'll make sure our kids are well-versed in science and math and engineering.

Again, I want to thank you all for letting us come to your school. It's a fantastic school. It really does brighten my hopes about the future of the country to see you all and see your enthusiasm for the subjects and to listen to your very articulate explanations of the different courses you're studying. Thanks a lot. Appreciate it.

NOTE: The President spoke at 2:13 p.m. at Yvonne A. Ewell Townview Magnet Center. In his remarks, he referred to Richard White, principal, the School of Science and Engineering. A tape was not available for verification of the content of these remarks. This item was not received in time for publication in the appropriate issue.

Proclamation 7979—National Consumer Protection Week, 2006

February 3, 2006

By the President of the United States of America

A Proclamation

During National Consumer Protection Week, we highlight the importance of consumer education in the ongoing fight against fraud and encourage consumers to make wise decisions.

Each year, nearly 25 million adults are victims of consumer fraud. These crimes damage lives and shake consumer confidence. The Federal Trade Commission (FTC) and other organizations recommend several steps that Americans can take to help protect themselves against fraud. First, consumers should be cautious about giving out personal information such as Social Security and account numbers. Second, they should be aware of the credentials of an organization before making a transaction, especially through the mail, over the phone, or on the Internet. Third, before finalizing a purchase or agreement, the FTC suggests considering

offers with care, avoiding immediate decisions, and requesting to have information in writing. In addition, when using the Internet, the FTC recommends that consumers exercise caution in responding to solicitations and that consumers use and regularly update their anti-virus software and firewall.

My Administration is committed to vigorous enforcement of the consumer protection statutes, and the Department of Justice's Office of Consumer Litigation and other Federal agencies are working diligently to that end. The FTC is working to fight unsolicited e-mail under the Controlling the Assault of Non-Solicited Pornography and Marketing Act and is establishing new rules under the Fair and Accurate Credit Transactions Act to further protect against identity theft. We are protecting American consumers through the National Do-Not-Call Registry. Millions of Americans have registered already, and individuals may call 1–888–382–1222 or visit the Do-Not-Call website at www.donotcall.gov to have their number added to the list. Citizens can learn more about ways to fight fraud from the National Consumer Protection Week website at www.consumer.gov/ncpw. By actively guarding against fraud, consumers can protect themselves and enhance the strength and integrity of our Nation's economy.

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim February 5 through February 11, 2006, as National Consumer Protection Week. I call upon Government officials, industry leaders, and consumer advocates to provide citizens with information about how they can be responsible consumers, and I encourage all citizens to take an active role in protecting their personal information.

In Witness Whereof, I have hereunto set my hand this third day of February, in the year of our Lord two thousand six, and of the Independence of the United States of America the two hundred and thirtieth.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., February 7, 2006]

NOTE: This proclamation was published in the *Federal Register* on February 8. This item was not received in time for publication in the appropriate issue.

Memorandum on Assignment of Certain Reporting Function

February 3, 2006

Memorandum for the Secretary of the Labor

Subject: Assignment of Certain Reporting Function

By the authority vested in me as President by the Constitution and laws of the United States, including section 301 of title 3, United States Code, I hereby assign to you the function of the President contained within section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), to provide the specified final report to the Congress in relation to Proclamation 7959 of November 3, 2005.

This function may be further delegated to the Deputy Secretary of Labor.

You are authorized and directed to publish this memorandum in the *Federal Register*.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., February 7, 2006]

NOTE: This memorandum was published in the *Federal Register* on February 8. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

February 4, 2006

Good morning. This week in the State of the Union Address, I set forth my American Competitiveness Initiative. This plan will help our Nation to compete with confidence, raise the standard of living for our families, and generate new jobs for our citizens.

Generations of risk-takers, inventors, and visionaries have made America the world's most prosperous and innovative nation. Just 25 years ago, most Americans used typewriters instead of computers, rotary phones instead of cell phones, and bank tellers instead of ATMs. Today, America is at the

doorstep of even more technological advances. But we cannot afford to be complacent. We're seeing the rise of new competitors like China and India, who are making great strides in technology. In response, some people want to wall off our economy from the world. That is called protectionism. The American people should not fear our economic future because we intend to shape our economic future.

To keep America the world's most competitive and innovative nation, we must continue to lead the world in human talent and creativity. My American Competitiveness Initiative will encourage innovation throughout our economy and give American children a firm grounding in math and science.

This initiative has three key elements. The first element is to double the Federal commitment to the most critical basic research programs in the physical sciences over the next decade. Most of the technological advances we enjoy today are the fruits of research investments made years ago, and many of these advances benefitted from Government support. The increased funding I have proposed will support America's creative minds as they explore promising areas such as nanotechnology, supercomputing, and alternative energy sources. These investments will lead to new inventions that offer better choices for consumers and a better life for our citizens.

The second element of this new initiative is to encourage bolder private sector investment in technology, because the private sector remains America's greatest engine of innovation. The research and development tax credit gives businesses an incentive to invest in projects that could lead to new discoveries. Congress allowed this tax credit to expire at the end of 2005, and the House and Senate are now considering another temporary extension. But a temporary extension does not allow our innovators to plan and invest with certainty. Other countries offer permanent tax incentives for research and development. To keep America the world's leader in technology and innovation, Congress needs to make the tax credit for research and development permanent.

The third element of this initiative is to make sure our children learn the skills they will need to keep America the world's most innovative country. Math and science are critical to many of our country's fastest-growing industries, so we must encourage our children to take more math and science classes and make sure those classes are rigorous enough to compete with other nations. I'm proposing that we train 70,000 high school teachers to lead Advanced Placement courses in math and science, bring 30,000 math and science professionals to teach in classrooms, and give early help to students who struggle with math so they have a better chance at good, high-wage jobs. If we ensure that America's children succeed in life, they will ensure that America succeeds in the world.

The American Competitiveness Initiative will help our Nation remain the world's economic leader. By investing in research and development, unleashing the innovative spirit of America's entrepreneurs, and making sure that our economy has workers highly skilled in math and science, we will lay the foundation for lasting economic prosperity.

Thank you for listening.

NOTE: The address was recorded at 10:20 a.m. on February 3 at the Marriott Hotel Albuquerque in Albuquerque, NM, for broadcast at 10:06 a.m. on February 4. The transcript was made available by the Office of the Press Secretary on February 3 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on the International Atomic Energy Agency Board of Governors Vote To Report Iran to the United Nations Security Council

February 4, 2006

Today in Vienna, the International Atomic Energy Agency Board of Governors voted to report Iran to the United Nations Security Council. This important step sends a clear message to the regime in Iran that the world will not permit the Iranian regime to gain nuclear weapons.

The Security Council will now address the IAEA Board's finding of "Iran's many failures and breaches of its obligations to comply" with its Nuclear Nonproliferation Treaty

Safeguards Agreement. We expect the Security Council to add its weight to the IAEA Board's calls for the Iranian regime to: return to the Paris Agreement suspending all enrichment and reprocessing activity; cooperate fully with the IAEA; and return to negotiations with the EU–3 of Great Britain, France, and Germany. Those steps are necessary for the regime to begin to restore any confidence that it is not seeking nuclear weapons under the cover of a civilian program.

Today's vote by the IAEA Board is not the end of diplomacy or the IAEA's role. Instead, it is the beginning of an intensified diplomatic effort to prevent the Iranian regime from developing nuclear weapons. We will continue working with our international partners to achieve that common objective. The path chosen by Iran's new leaders—threats, concealment, and breaking international agreements and IAEA seals—will not succeed and will not be tolerated by the international community. The regime's continued defiance only further isolates Iran from the rest of the world and undermines the Iranian people's aspirations for a better life.

I end with a message to the Iranian people. The action today by the IAEA Board of Governors is not about denying the Iranian people the benefits of civilian nuclear power. The EU–3 and Russia, with the support of the United States, have made the Iranian regime offers that would enable Iran to have a civil nuclear energy program. The international community's sole purpose in this vote is to prevent the acquisition of nuclear weapons by the regime. Iran's true interests lie in working with the international community to enjoy the benefits of peaceful nuclear energy, not in isolating Iran by continuing to develop the capability to build nuclear weapons.

Letter to Congressional Leaders Transmitting a Report on Digital Computer Exports

February 3, 2006

Dear _____ :

In accordance with the provisions of section 1211(d) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85), I hereby notify you of my decision to establish a new level for the notification procedure for digital computers set forth in section 1211(a) of Public Law 105–85. The new level will be 0.75 WT (Weighted TeraFLOPS). In accordance with the provisions of section 1211(e), I hereby notify you of my decision to remove Bulgaria from the list of countries covered under section 1211(b). The attached report provides the rationale supporting these decisions and fulfills the requirements of Public Law 105–85, sections 1211(d) and (e).

I have made these changes based on the recommendation of the Departments of State, Defense, Commerce, and Energy.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to John W. Warner, chairman, Senate Committee on Armed Services; Richard C. Shelby, chairman, Senate Committee on Banking, Housing, and Urban Affairs; Duncan L. Hunter, chairman, House Committee on Armed Services; and Henry J. Hyde, chairman, House Committee on International Relations. This letter was released by the Office of the Press Secretary on February 6.

Remarks at a Swearing-In Ceremony for Ben S. Bernanke as Chairman of the Federal Reserve

February 6, 2006

Thank you for the warm welcome here at the Federal Reserve. It is one of our Government's most vital institutions. And today I congratulate a fine man and a distinguished public servant, Dr. Ben Bernanke, on becoming the 14th Chairman of the Federal Reserve.

It's good to be with Anna, Ben's wife, Alyssa and Joel, his sister Sharon, and the other members of the Bernanke family. Welcome. Thanks for being here. You probably didn't think your brother was going to amount to much. [*Laughter*]

I'm honored—members of my Cabinet who are here—Secretary Carlos Gutierrez, Deputy Secretary Bob Kimmitt. Members of Congress—Congressman Oxley, Congressman Frank—thank you all for coming. It's

awfully generous of you both to be here. I appreciate Roger Ferguson, the Vice Chairman, other members of the Board of Governors; thank you for being here as well. Former Chairman Paul Volcker, thanks for coming today, sir. I've got something to say about the other former Chairman who is here, in a minute. [*Laughter*]

Since its creation in 1913, the Federal Reserve has helped bring stability and growth to our Nation's economy. Around the world, the Fed is a symbol of integrity and reliability. Its decisions set our Nation's monetary policy, ensure a sound banking system, and help contain the risks that can arrive in our financial markets. The Fed's actions touch the lives of all Americans, and the Chairman of the Federal Reserve must be a leader of unquestionable credentials, sound judgment, and impeccable character. Ben Bernanke meets those high standards, and he will be an outstanding Chairman of the Federal Reserve.

As Chairman, Ben follows in the footsteps of one of America's most respected public servants. Alan Greenspan is perhaps the only central banker ever to achieve what one publication called "rock star status." [*Laughter*] For almost two decades, Chairman Greenspan's prudence and wise policies have guided this Nation through major economic challenges, have kept inflation in check, and contributed to phenomenal economic growth and a better life for all our citizens.

Recently he said, "I have only just realized that I have been on 24-hour call for 18 years." Mr. Chairman, you can rest a little easier and know that a grateful nation thanks you for your extraordinary service.

Ben Bernanke now takes up Alan Greenspan's mantle. When I announced Ben's nomination last October, economists and leaders across the political spectrum responded positively. They praised him for his unsurpassed academic credentials, broad policy experience, and a reputation for consensus-building. The son of a pharmacist and a school teacher, Ben graduated from Harvard with top honors and earned a doctorate in economics from Massachusetts Institute of Technology. He rose through the academic ranks to become the chairman of the economics department at Princeton.

Ben is one of the most cited economists in the world and is recognized for his pathbreaking work in the field of monetary policy. Ben Bernanke also knows the Federal Reserve System. From 2002 to 2005, he served with distinction on the Fed's Board of Governors. Since last year, he has served as the Chairman of the Council of Economic Advisers at the White House. I came to trust his judgment, his calm demeanor, and his sly sense of humor. [*Laughter*]

Throughout his distinguished career, Ben has earned a reputation for intellectual rigor, integrity, and personal decency. He's earned the respect of the global financial community. Ben is an economist's economist, one of the most esteemed leaders in the field. He understands that economics is more than just crunching numbers; good economics embraces policies that unleash hope and hard work and the power of free people to be able to fashion and improve their lives. Ben Bernanke will work every day to keep America's economic prospects strong and prosperous. He'll be a superb Chairman.

Mr. Chairman, thank you for agreeing to serve. Congratulations.

NOTE: The President spoke at 10:04 a.m. at the Federal Reserve. In his remarks, he referred to former Chairman of the Federal Reserve Paul A. Volcker. The transcript released by the Office of the Press Secretary also included the remarks of Chairman Bernanke.

Proclamation 7980—Death of Coretta Scott King

February 6, 2006

By the President of the United States of America

A Proclamation

As a mark of respect for the memory of Coretta Scott King, I hereby order, by the authority vested in me by the Constitution and laws of the United States of America, that on February 7, 2006, the day of her interment, the flag of the United States shall be flown at half-staff at the White House and upon all public buildings and grounds, at all military posts and naval stations, and on all naval vessels of the Federal Government in

the District of Columbia and throughout the United States and its Territories and possessions until sunset on such day. I also direct that the flag shall be flown at half-staff for the same period at all United States embassies, legations, consular offices, and other facilities abroad, including all military facilities and naval vessels and stations.

In Witness Whereof, I have hereunto set my hand this sixth day of February, in the year of our Lord two thousand six, and of the Independence of the United States of America the two hundred and thirtieth.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., February 8, 2006]

NOTE: This proclamation was published in the *Federal Register* on February 9.

Remarks at a Dinner Honoring the Dance Theatre of Harlem

February 6, 2006

Good evening. Laura and I welcome you to the White House for what is going to be a very special evening. One of the interesting things about living here is that, on occasion, some of our Nation's finest artists come to perform. Nothing like having great performers in your living room. [*Laughter*] And tonight we're looking forward to a fantastic performance.

As we gather during African American History Month, tonight we honor the Dance Theatre of Harlem and its unique founder, Arthur Mitchell. America is blessed to have people like Arthur Mitchell in our midst. So, Arthur, thank you for coming; thank you for your care and concern for our Nation's youth; and thank you for being dogged in your determination to see that this program flourishes. And we're glad to be a part of seeing that the program does flourish.

Since its creation in 1969, the company has set a new standard for excellence in dance and has won international acclaim. The Dance Theatre of Harlem School has provided thousands of students the opportunity to study dance, some of whom we'll see tonight. The Dance Theatre's community outreach programs are now bringing arts education to people all across America and around the world.

For almost four decades, the Dance Theatre of Harlem has done a lot to enrich countless lives through its brilliant performances and educational efforts. And so tonight I offer a toast to the achievements and continued success of Arthur Mitchell and the Dance Theatre of Harlem.

NOTE: The President spoke at 7:56 p.m. in the State Dining Room at the White House.

Remarks at the Funeral Service for Coretta Scott King in Lithonia, Georgia

February 7, 2006

To the King Family, distinguished guests, and fellow citizens: We gather in God's house, in God's presence, to honor God's servant, Coretta Scott King. Her journey was long and only briefly with a hand to hold. But now she leans on everlasting arms. I've come today to offer the sympathy of our entire Nation at the passing of a woman who worked to make our Nation whole.

Americans knew her husband only as a young man. We knew Mrs. King in all the seasons of her life—and there was grace and beauty in every season. As a great movement of history took shape, her dignity was a daily rebuke to the pettiness and cruelty of segregation. When she wore a veil at 40 years old, her dignity revealed the deepest trust in God and His purposes. In decades of prominence, her dignity drew others to the unfinished work of justice. In all her years, Coretta Scott King showed that a person of conviction and strength could also be a beautiful soul. This kind and gentle woman became one of the most admired Americans of our time. She is rightly mourned, and she is deeply missed.

Some here today knew her as a girl and saw something very special long before a young preacher proposed. She once said, "Before I was a King, I was a Scott." And the Scotts were strong and righteous and brave in the face of wrong. Coretta eventually took on the duties of a pastor's wife and a calling that reached far beyond the doors of the Dexter Avenue Baptist Church.

In that calling, Dr. King's family was subjected to vicious words, threatening calls in the night, and a bombing at their house. Coretta had every right to count the cost and step back from the struggle. But she decided that her children needed more than a safe home—they needed an America that upheld their equality and wrote their rights into law. And because this young mother and father were not intimidated, millions of children they would never meet are now living in a better, more welcoming country.

In the critical hours of the civil rights movement, there were always men and women of conscience at the heart of the drama. They knew that old hatreds ran deep. They knew that nonviolence might be answered with violence. They knew that much established authority was against them. Yet they also knew that sheriffs and mayors and Governors were not ultimately in control of events, that a greater authority was interested and very much in charge. The God of Moses was not neutral about their captivity. The God of Isaiah and the prophets was still impatient with injustice. And they knew that the Son of God would never leave them or forsake them.

But some had to leave before their time—and Dr. King left behind a grieving widow and little children. Rarely has so much been asked of a pastor's wife, and rarely has so much been taken away. Years later, Mrs. King recalled, "I would wake up in the morning, have my cry, then go in to them. The children saw me going forward." Martin Luther King, Jr., had preached that unmerited suffering could have redemptive power.

Little did he know that this great truth would be proven in the life of the person he loved the most. Others could cause her sorrow, but no one could make her bitter. By going forward with a strong and forgiving heart, Coretta Scott King not only secured her husband's legacy; she built her own. Having loved a leader, she became a leader. And when she spoke, America listened closely, because her voice carried the wisdom and goodness of a life well lived.

In that life, Coretta Scott King knew danger; she knew injustice; she knew sudden and terrible grief. She also knew that her Redeemer lives. She trusted in the Name above every name. And today we trust that our sister Coretta is on the other shore—at peace, at rest, at home. May God bless you, and may God bless our country.

NOTE: The President spoke at 1 p.m. at the New Birth Missionary Baptist Church.

Executive Order 13396—Blocking Property of Certain Persons Contributing to the Conflict in Cote d'Ivoire

February 7, 2006

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), section 5 of the United Nations Participation Act, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and to assist in addressing humanitarian, safety, and other concerns in or in relation to the country of Cote d'Ivoire,

I, George W. Bush, President of the United States of America, determine that the situation in or in relation to Cote d'Ivoire, which has been addressed by the United Nations Security Council in Resolution 1572 of November 15, 2004, and subsequent resolutions, that has resulted in the massacre of large numbers of civilians, widespread human rights abuses, significant political violence and unrest, and attacks against international peacekeeping forces leading to fatalities, constitutes an unusual and extraordinary threat to the national security and foreign policy of the United States and hereby declare a national emergency to deal with that threat, and hereby order:

Section 1. (a) Except to the extent that section 203(b)(1), (3), and (4) of the IEEPA (50 U.S.C. 1702(b)(1), (3), and (4)) may apply, or to the extent provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests

in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any overseas branch, of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(i) the persons listed in the Annex to this order; and

(ii) any person determined by the Secretary of the Treasury, after consultation with the Secretary of State:

(A) to constitute a threat to the peace and national reconciliation process in Cote d'Ivoire, such as by blocking the implementation of the Linas-Marcoussis Agreement of January 24, 2003, the Accra III Agreement of July 30, 2004, and the Pretoria Agreement of April 6, 2005;

(B) to be responsible for serious violations of international law in Cote d'Ivoire;

(C) to have directly or indirectly supplied, sold, or transferred to Cote d'Ivoire arms or any related materiel or any assistance, advice, or training related to military activities;

(D) to have publicly incited violence and hatred contributing to the conflict in Cote d'Ivoire;

(E) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the activities described in paragraphs (a)(ii)(A), (a)(ii)(B), (a)(ii)(C), or (a)(ii)(D) of this section or any person listed in or designated pursuant to this order; or

(F) to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person listed in or designated pursuant to this order.

(b) I hereby determine that, to the extent section 203(b)(2) of the IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the type of articles specified in such section by, to, or for the benefit of, any person listed in or designated pursuant to this order would seriously impair my ability to deal with the national emergency declared in this order, and I hereby prohibit such donations as provided by paragraph (a) of this section.

(c) The prohibitions in paragraph (a) of this section include, but are not limited to, (i) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of, any person listed in or designated pursuant to this order, and (ii) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 2. (a) Any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. For purposes of this order:

(a) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(b) the term "person" means an individual or entity;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States; and

(d) the term "arms or any related materiel" means arms or related materiel of all types, including military aircraft and equipment, but excludes:

(i) supplies and technical assistance intended solely for the support of or use by the United Nations Operation in Cote d'Ivoire and forces of France who support them;

(ii) supplies of non-lethal military equipment intended solely for humanitarian or protective use, and related technical assistance and training;

(iii) supplies of protective clothing, including flak jackets and military helmets, temporarily exported to Cote d'Ivoire by United Nations personnel, representatives of the media, and humanitarian and development workers and associated personnel, for their personal use only;

(iv) supplies temporarily exported to Cote d'Ivoire to the forces of a country that is taking action solely and directly to facilitate the evacuation of its nationals and those for whom it has consular responsibility in Cote d'Ivoire; and

(v) supplies of arms and related materiel and technical training and assistance intended solely for support of or use in the process of restructuring defense and security forces pursuant to paragraph 3, subparagraph (f) of the Linas-Marcoussis Agreement.

Sec. 4. For those persons listed in or designated pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to section 1 of this order.

Sec. 5. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the IEEPA and the UNPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government, consistent with applicable law. All executive agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order and, where appropriate, to advise the Secretary of the Treasury in a timely manner of the measures taken. The Secretary of the Treasury shall ensure compliance with those provisions of section 401 of the NEA (50 U.S.C. 1641) applicable to the Department of the Treasury in relation to this order.

Sec. 6. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to submit the recurring and final reports to the Congress on the national emergency declared in this order, consistent with section 401(c) of the NEA (50 U.S.C. 1641(c)) and section 204(c) of the IEEPA (50 U.S.C. 1703(c)).

Sec. 7. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to determine, subsequent to the issuance of this order, that circumstances no longer warrant the inclusion of a person in the Annex to this order and that the property and interests in property of that person are therefore no longer blocked pursuant to section 1 of this order.

Sec. 8. This order is not intended to, and does not, create any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities, or entities, its officers or employees, or any other person.

Sec. 9. This order is effective at 12:01 a.m. eastern standard time on February 8, 2006.

George W. Bush

The White House,
February 7, 2006.

[Filed with the Office of the Federal Register, 8:45 a.m., February 9, 2006]

NOTE: This Executive order was released by the Office of the Press Secretary on February 8, and the Executive order and its attached annex were published in the *Federal Register* on February 10.

Message to the Congress Reporting on the Executive Order on Blocking Property of Certain Persons Contributing to the Conflict in Cote d'Ivoire

February 8, 2006

To the Congress of the United States:

Consistent with subsection 204(b) of the International Emergency Economic Powers

Act, 50 U.S.C. 1703(b) (IEEPA), and section 301 of the National Emergencies Act, 50 U.S.C. 1631 (NEA), I hereby report that I have issued an Executive Order (the "order") blocking the property of certain persons contributing to the conflict in Cote d'Ivoire. In that order, I declared a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States posed by that conflict, as described below.

The United Nations Security Council, in Resolution 1572 of November 15, 2004, expressed deep concern over the resumption of hostilities in Cote d'Ivoire, the public incitement of hatred and violence, and the repeated violations of the ceasefire agreement of May 3, 2003. United Nations Security Council Resolution (UNSCR) 1572 determined that the situation in Cote d'Ivoire poses a threat to international peace and security in the region and called on member States to take certain measures against persons responsible for the continuing conflict. The United Nations Security Council has continued to express serious concern at the persistence of the crisis in Cote d'Ivoire and of obstacles to the peace and national reconciliation process from all sides in UNSCRs 1643 of December 15, 2005, and 1652 of January 24, 2006.

Despite the intervention and efforts of the international community, there have been massacres of large numbers of civilians, widespread human rights abuses, significant political violence and unrest, and attacks against international peacekeeping forces in Cote d'Ivoire. Such activity includes the killing of large numbers of civilians in Korhogo in June 2004, and in Abidjan in March 2004; significant violence and unrest, including public incitements to violence, in Abidjan in November 2004; human rights violations, including extrajudicial killings, in western Cote d'Ivoire in April and June 2005; attacks on a police station and prison in July 2005 in Anyama and Agboville, and violent protests in Abidjan and attacks on U.N. and international nongovernmental organization facilities in western Cote d'Ivoire in January 2006. Also, notwithstanding the Linas-Marcoussis Agreement signed by the Ivorian political forces on January 24, 2003, the related ceasefire agreement of May 3, 2003, the Accra III Agreement of July 30, 2004, the Pretoria Agreement of April 6, 2005, and the Declaration on the Implementation of the Pretoria Agreement of June 29, 2005, consolidating the implementation of the Linas-Marcoussis peace and national reconciliation process, Ivorian parties have continued to engage in military operations and attacks against peacekeeping forces in Cote d'Ivoire leading to fatalities.

Pursuant to the IEEPA and the NEA, I have determined that these actions and circumstances constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and declared a national emergency to deal with that threat and have issued an Executive Order to deal with the threat to U.S. national security and foreign policy posed by the situation in or in relation to Cote d'Ivoire.

The order blocks the property and interests in property in the United States, or in the possession or control of United States persons, of the persons listed in the Annex to the order, as well as of any person determined by the Secretary of the Treasury, after consultation with the Secretary of State,

- to constitute a threat to the peace and national reconciliation process in Cote d'Ivoire, such as by blocking the implementation of the Linas-Marcoussis, Accra III, and Pretoria Agreements;
- to be responsible for serious violations of international law in Cote d'Ivoire;
- to have directly or indirectly supplied, sold or transferred to Cote d'Ivoire arms or any related materiel or any assistance, advice, or training related to military activities; or
- to have publicly incited violence and hatred contributing to the conflict in Cote d'Ivoire.

The designation criteria will be applied in accordance with applicable domestic law, including where appropriate, the First Amendment to the United States Constitution. The order also authorizes the Secretary of the Treasury, after consultation with the Secretary of State, to designate for blocking any person determined to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods

or services in support of, the activities listed above or any person listed in or designated pursuant to the order. I further authorized the Secretary of the Treasury, after consultation with the Secretary of State, to designate for blocking any person determined to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person listed in or designated pursuant to the order. The Secretary of the Treasury, after consultation with the Secretary of State, is also authorized to remove any persons from the Annex to the order as circumstances warrant.

I delegated to the Secretary of the Treasury, after consultation with the Secretary of State, the authority to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the IEEPA and the United Nations Participation Act, as may be necessary to carry out the purposes of the order. All executive agencies are directed to take all appropriate measures within their authority to carry out the provisions of the order.

The order, a copy of which is enclosed, became effective at 12:01 a.m. eastern standard time on February 8, 2006.

George W. Bush

The White House,
February 8, 2006.

Memorandum on Determination To Waive Military Coup-Related Provision of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006, With Respect to Pakistan

February 7, 2006

Presidential Determination No. 2006–09

Memorandum for the Secretary of State

Subject: Determination to Waive Military Coup-Related Provision of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006, with respect to Pakistan

Pursuant to the authority vested in me by the Constitution and laws of the United States, including section 534(j) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (the "Act") (Public Law 109–102), and Public Law 107–57, as amended, I hereby determine and certify, with respect to Pakistan, that a waiver of section 508 of the Act:

(a) would facilitate the transition to democratic rule in Pakistan; and

(b) is important to United States efforts to respond to, deter, or prevent acts of international terrorism.

Accordingly, I hereby waive, with respect to Pakistan, the prohibition contained in section 508 of such Act.

You are authorized and directed to transmit this determination to the Congress and to arrange for its publication in the *Federal Register*.

George W. Bush

NOTE: This memorandum was released by the Office of the Press Secretary on February 8.

Memorandum on Determination To Authorize a Drawdown for Afghanistan

February 7, 2006

Presidential Determination No. 2006–10

Memorandum for the Secretary of State and the Secretary of Defense

Subject: Determination to Authorize a Drawdown for Afghanistan

Pursuant to the authority vested in me by the Constitution and laws of the United States, including section 202 and other relevant provisions of the Afghanistan Freedom Support Act (Public Law 107–327, as amended) and section 506 of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2318, I hereby direct the drawdown of up to $16.998 million of defense articles, defense services, and military education and training from the Department of Defense for the Government of Afghanistan. This determination also amends PD 2005–19, signed January 27, 2005, by substituting "$71.502" therein for "$88.5".

The Secretary of State is authorized and directed to report this determination to the

Congress and to arrange for its publication in the *Federal Register*.

George W. Bush

NOTE: This memorandum was released by the Office of the Press Secretary on February 8.

Remarks Following Discussions With King Abdullah II of Jordan

February 8, 2006

President Bush. Your Majesty, welcome back. I have had two good discussions with His Majesty. Last night His Majesty and the Crown Prince came to have dinner with Laura and me and some Members of Congress, and we had a really good discussion. We had a little time by ourselves to talk strategically about the world and our deep desire for this world to be peaceful.

Of course, we talked about Iraq, Iran, the Palestinian territories. And I appreciate your vision and your desire to achieve a better world for the people in your neighborhood.

We also talked about a topic that requires a lot of discussion and a lot of sensitive thought, and that is the reaction to the cartoons. I first want to make it very clear to people around the world that ours is a nation that believes in tolerance and understanding. In America, we welcome people of all faiths. One of the great attributes of our country is that you're free to worship however you choose in the United States of America.

Secondly, we believe in a free press. We also recognize that with freedom comes responsibilities. With freedom comes the responsibility to be thoughtful about others. Finally, I have made it clear to His Majesty, and he made it clear to me, that we reject violence as a way to express discontent with what may be printed in a free press. I call upon the governments around the world to stop the violence, to be respectful, to protect property, and protect the lives of innocent diplomats who are serving their countries overseas.

And so, Your Majesty, thank you for coming. I'm proud to share the moment with you.

King Abdullah. Thank you very much for your kind words. And I would just like to echo what the President said. We've had some very fruitful discussions, and we're appreciative of the vision and the desire that the President has for peace and stability in our part of the world. He has always strived to make life better for all of us in the Middle East, and I tremendously appreciate that role.

The issue of the cartoons, again, and with all respect to press freedoms, obviously, anything that vilifies the Prophet Mohammed—peace be upon him—or attacks Muslim sensibilities, I believe needs to be condemned. But at the same time, those that want to protest should do it thoughtfully, articulately, express their views peacefully. When we see protests—when we see destruction, when we see violence, especially if it ends up taking the lives of innocent people, is completely unacceptable. Islam, like Christianity and Judaism, is a religion of peace, tolerance, moderation.

And we have to continue to ask ourselves, what type of world do we want for our children? I too often hear the word used as, tolerance. And tolerance is such an awful word. If we are going to strive to move forward in the future, the word that we should be talking about is acceptance. We need to accept our common humanity and our common values. And I hope that lessons can be learned from this dreadful issue, that we can move forward as humanity, and truly try to strive together, as friends and as neighbors, to bring a better world to all.

President Bush. Thank you, Your Majesty. I appreciate you.

NOTE: The President spoke at 9:26 a.m. in the Oval Office at the White House. In his remarks, he referred to Crown Prince Hussein of Jordan.

Remarks to the Business and Industry Association of New Hampshire in Manchester, New Hampshire

February 8, 2006

The President. Thank you for the welcome. It's good to be back here in New Hampshire. We had a little problem scheduling a room here in this State. It turns out a lot of Judd's colleagues are prebooking for the '08 elections. [*Laughter*]

I really appreciate you giving me a chance to come by. I want to spend a little time on our economy. I want to talk about your money; I want to talk about the budget I submitted. I hope at the end of this discussion you'll have a better feel for why I make the decisions I've made. You know, one of the interesting things about my job is, you get to make a lot of decisions. My buddies from Texas come up and they say—after they get over the initial shock of me being in the White House in the first place—[*laughter*]—they say, "What's the job like? What's it like to be President of the United States?"

The best thing I can tell them is, it's a job that requires decisionmaking. Decisionmaking is based upon—good decisionmaking is based upon standing for something, making decisions based upon certain principles that won't change even though the political circumstances may appear to be changing. Decisionmaking means listening to people, surrounding yourself with excellence. Decisionmaking means doing what you think is right, not what may be politically expedient.

And so today I hope I give you a sense of why I made some of the decisions that I made on the budget I've submitted to the Congress and why I believe it'll help the American people.

Before I begin, I do want to thank Judd. The guy is a great friend—he's a great friend of mine; he's a great friend of the people of New Hampshire. I've gotten to know him really well. He's a good man—and he married well too, by the way. [*Laughter*] So did I. Laura sends her best. She's winging her way, by the way, to Italy, to represent the United States at the Winter Games, which is pretty unusual for a woman who was raised in west Texas, where it rarely snows. [*Laughter*]

I'm also proud to be traveling today with Senator John Sununu. He, too, is a fine man and a great Senator for the people of New Hampshire. I'm proud to be here with the two Congressmen, Jeb Bradley and Charlie Bass. I'm looking forward to flying them back to Washington. It's amazing what people will do to get a free flight. [*Laughter*]

I want to thank the speaker who is here; Doug, thank you for being here. I remember going to your farm a while back. You know, I don't follow New Hampshire politics that closely these days, at least statehouse politics, but I do know this is a guy who loves his family, and he's got a lot of family to love; I've met them all. Appreciated his hospitality.

I want to thank the president of the senate, Ted Gatsas, who is with us as well. Mr. Mayor, thank you for joining us today. The mayor said he just got elected; he's all excited and fired-up. Just fill the potholes, Mayor, and everything will be fine. [*Laughter*]

I want to thank all the other State and local officials. I want to thank George Gantz. Thanks for the introduction. I asked him what his middle name was—I was hoping it was W. [*Laughter*] But it wasn't. But, anyway, George, thanks for introducing me, and thanks for having me here. I want to thank Mike Donahue and all the other members of the board of the Business and Industry Association of New Hampshire.

I also want to thank the bankers who are here. Thank you for allowing me to horn in on your meeting. I hope it's worth your while to have me. Most of all, thank you all for giving me a chance to come.

Let me first start off with our economy. It's strong, and it's getting stronger. That's how I see it. I say that because we're now in our fifth year of uninterrupted economic growth. Last year this economy of ours grew at 3.5 percent, which is good—that's good, strong economic growth. We did so in the face of higher energy prices and natural disasters, which makes the growth even more extraordinary.

More Americans now own their home than ever before in our Nation's history. I love the fact that America is an ownership society. I think it's important for policy to promote ownership. Low interest rates, by the way, helps promote ownership. You'll be happy to hear that this administration doesn't intend to set the interest rates, but I did name somebody good, named Ben Bernanke, to head up the Fed, to replace Alan Greenspan, and I'm confident he will do a good job of being the Chairman of the Fed.

More minority families now own a home than ever before in our Nation's history as well. See, a hopeful society is one in which

all people see a positive future. There's nothing better than saying, "I own my own home; welcome to my home."

Real after-tax income is up by 8 percent—nearly 8 percent per person since 2001. New orders for durable goods like machinery are rising, which is a good sign. Shipments of manufactured goods are up as well. The productivity of the United States was strong last year, and that's important. A productive society is one in which the standard of living rises. It's important for us to have policies in place that keep us the most productive society in the world.

Small businesses are thriving. We've added 4.7 million new jobs over the last 2½ years. The national unemployment rate is at 4.7 percent, the lowest level since July 2001. I was interested to see that your unemployment rate is still unbelievably low; it's at 3.5 percent. A recent survey of your businesses said that nearly two-thirds of the CEOs expect revenues to increase this coming year. In other words, there's a positive feel here in New Hampshire and around a lot of parts of our country as well.

I like to say it's an exciting time for the economy. We're productive; we're innovative; we're entrepreneurial. And the role of Government is to keep it that way. That's the role of the Government. The global economy—we're the leader. We're growing faster than other major industrialized nations, and in the past 2½ years, we've created more jobs than the EU and Japan combined.

Now one of the interesting things we face here in America is, in spite of the numbers and the economic growth, there is uncertainty. Some of the uncertainty comes as a result of competition from places like India and China. The temptation with uncertainty and competition is to say, "We can't compete; let us kind of wall ourselves off." If you look at the history of the United States, the economic history, there have been periods of protectionism and isolationism, in the hopes that that will lead to a better lifestyle for our citizens. I strongly reject the notion of becoming a protectionist nation. I don't think this country ought to fear the future. I don't think we ought to fear competition. I know we ought to shape the future with good policies out of Washington, DC, and make sure that we're the preeminent economy in the world.

There's also, you know, kind of a debate in Washington about how to handle your money. There are some that, frankly, whose policies would make us look more like Europe than we should, and that is kind of a centralization of power. The surest way to centralize power is to take more of your own money to Washington. And so I want to talk a little bit about why our economic policies, in my judgment, should reject the centralization of power, particularly through the budget process, and let the folks at home make the decisions about their own money.

You see, Government doesn't create wealth. A lot of my decisionmaking is based upon this principle: The role of Government is not to try to create wealth but an environment in which the entrepreneur can flourish; is to create an environment in which people are willing to risk capital; an environment in which a person feels comfortable with making a decision to start their own business. That's the role of Government. It's a role of Government that says, "We trust people to spend their own money wisely."

And so in the State of the Union Address, which I gave last week, I outlined a series of steps that encompass that philosophy and steps that I believe that will keep America the preeminent economy in the world, the leader in the world, which is what we should be. If we want our people to prosper, if we want lifestyles to improve, if we want our standard of living to go up, America must remain the leader.

I've talked about health care and the importance for us to have a health care system that takes care of the elderly and the poor, but a health care system that strengthens the relationship between doctor and patient, a health care system that provides transparency into pricing, a health care system that uses information technology to bring the medical profession into the 21st century.

You know, some are going to say, "What do you mean by that?" Well, I mean, when you're writing your files by hand, it means you're not in the 21st century. And since most doctors can't write too well, there's a lot of information that didn't pass—[*laughter*].

I've talked, as well, about the need to get legal reform in the medical industry. Look, we've got too many lawsuits, pure and simple. We've got a real problem in the country because docs and hospitals are getting sued. A lot of good docs are being driven out of business. I said an appalling—a statistic that I think is appalling in my State of the Union. Do you realize there are 1,500 counties in America without an ob-gyn? And that's wrong. And one of the reasons that's happening is because there's too many lawsuits driving good docs out of practice. We need a medical liability system that is fair to medical providers in the United States of America.

When I first went to Washington, I thought it might be a State issue. And then I realized that all these lawsuits are causing doctors to practice defensive medicine as well as running up premiums, which costs the Federal Government a lot of money. And so I've decided this is a national issue that requires a national response. And the United States Senate needs to be pass medical liability reform this year.

Part of our plan for a patient-doctor system, one that gives you choices to make and counts on you for making rational choices, is to expand health savings accounts and make sure that individuals and small-business employees can buy insurance with the same tax advantages that people working for big businesses now get. And we're going to make sure those health savings accounts are portable. One of the things about our economy, which is interesting, is that there's a lot of turnover when it comes to jobs. People are changing jobs a lot, which creates uncertainty. And one way to deal with that uncertainty, to bring certainty to people in the workforce, is to make sure they can carry their health savings account with them from job to job, so they don't fear losing their health insurance.

So I've got a lot of ideas on health care that I'm going to be talking to the Nation about in the coming weeks. Also as we continue to make sure this country is whole, we're going to make sure that we repair parts of our country that have been hurt by natural disaster. Thus far, the Federal Government has committed $85 billion to the folks who got hurt by Katrina. I went down there in Jackson Square, and I said, "The Federal Government is going to help you," and we are helping—$85 billion is a lot. It may not be all it takes, but I want to compliment the Congress for making a strong commitment to helping the people down there get on their feet and get this important part of our country up and running again.

I talked about a very important issue that I think surprised old Judd a little bit—you know, he knows I'm from Texas, a little concerned about my views on energy, I think, at times—prejudged me the wrong way. I meant what I said; we've got to get off our dependence on oil. To stay competitive, this country cannot be reliant upon oil from unstable parts of the world. And therefore—as I said in the State of the Union, we're spending $10 billion so far to come up with ways to wean ourselves off of oil.

I talked about clean coal technologies. We have got to promote safe nuclear power. We have got to continue our investment in solar energy. But I want to spend a little time—I mean, a little time—on making sure that you understand that I am serious when it comes to spending money so that—to be able to develop the technologies necessary to be able to convert saw grass and wood chips and refuse into energy. It's coming. We believe this technology is close to breakthrough status.

I also want to tell you something interesting that I didn't say in the speech, is that there's 4½ million automobiles on the road today that are flex-fuel automobiles that can switch from gasoline to ethanol already. In other words, the technology is available for the automobiles. When we have the breakthrough, when it comes in ethanol, I'm convinced that this country is going to become what we want it to be—not reliant upon Middle Eastern oil.

It's exciting times. It's important. This is not only an economic security issue, it is a national security issue. And we're intent at the Federal Government to promote research dollars to see to it that we achieve this important objective.

I also talked about education. One of the things we've got to understand here in America is that if our children don't have the skills

necessary to fill the jobs of the 21st century, those jobs are going to go somewhere else. We live in a competitive world, and as I told you, I recognize that competition creates uncertainty, but we've got to be certain about the goal to make sure our children are educated.

And so, laid out a math and science initiative, which embodies a lot of the principles in the No Child Left Behind Act, which basically says, "Look, we're going to measure, and if we determine that you're falling behind in middle school in math, we'll provide extra money so you can catch up." We need more AP teachers trained in the classrooms for our high schools. We're going to have 30,000 adjunct professors from private industry and/or retired scientists to go and excite our children about math and science.

And, as well, we've got to lead the world in basic research. I committed our Government to doubling the basic research for sciences over a 10-year period of time, as well as we've got to understand that most of the money invested in research is done at the private sector. And that's why we've got to make sure the research and development tax credit is permanent. You see, the research and development tax credit expires annually. Now, how can you possibly plan for an aggressive research budget if you're uncertain as to what the Tax Code is going to allow you to do? Congress has got to understand that CEOs of companies that are investing to make our life better can't make sound decisions with uncertainty in the Tax Code. And so they've got to make the research and development tax credit permanent.

And so there are some ways to make sure that we remain competitive, and I'm going to work with Members of Congress to make sure we get these initiatives passed.

Today I'm going to focus on the budget strategy. We're on our way to cutting our deficit in half by 2009. And I'm going to give you some ideas as to how we can do that. The budget strategy has three parts. The first part is to promote economic growth by keeping taxes low. The second part is to restrain spending. And the third part is to insist that Federal programs produce results. That may sound odd to you. [*Laughter*] But I'm going tell you how we—we've got interesting ideas how to promote results-oriented programs in Washington, DC.

First, we're going to keep the taxes low to make sure the economy grows. My philosophy is this: When Americans are allowed to keep more of their own money to spend and save and invest, that helps the economy grow, and when the economy grows, people can find work. If entrepreneurs have more money in their pocket, they're going to use it to expand their businesses, which means somebody is more likely to find work. If consumers have more money in their pocket, they're likely to demand additional good or services. And in a marketplace economy when somebody demands a good or a service, somebody meets that demand with product or the service. And when that demand is met, it means somebody is more likely to find work. Cutting taxes means jobs for the American people.

We're a confident nation, and one reason we are is because we've overcome a lot. I want you to think about what this economy has been through in a relatively quick period of time. We've been through a recession, a stock market collapse, terrorist attacks, a war, and corporate scandals. And I told you how strong the economy was going. I think one of the reasons why this economy is as strong as it is, is because Congress wisely cut the taxes for the American taxpayers.

We lowered taxes, and in doing so the message was and the philosophy is, you can spend your money better than the Government can spend its money. We want you making decisions for your families. We want you making investments. And so we cut taxes on families by lowering income tax rates and doubling the child credit. We reduced the marriage penalty. I've never understood a Tax Code that penalizes marriage. Seems like to me we ought to be encouraging marriage in the Tax Code. We put the death tax on its way to extinction. My view is, is that if you're running a small business you ought not to have to pay taxes twice, once while you're living and once after you die. If you're a farmer or a rancher, you ought to be allowed—the Tax Code ought to encourage you to be able to pass your property on to whomever you choose.

We cut taxes on small businesses. An interesting part of the debate that a lot of people in America haven't focused—didn't focus on is that when you're cutting individual income tax rates, you're also cutting a lot of taxes on small businesses. See, most small businesses are sole proprietorships or subchapter S corporations, and therefore, they pay tax at the individual income tax level. And so when you reduce all rates, you're really interjecting capital into the small-business sector of the country. And that's important because two-thirds of new jobs in America are created by small businesses. It makes sense, doesn't it, if you're worried about people finding work, if you're trying to overcome economic hardship to fuel the engine of growth that will provide work—and that's the small-business sector of the United States.

One of the interesting things we did is we understand it's important to encourage investment, particularly for small businesses. And so we raised the amount of investment a small business can deduct immediately from $25,000 to $100,000. And why do you do that? Well, one, you want your small-business sector to remain productive. Investment yields enhanced productivity, which means it's easier to compete and stay in business. We want more productivity. Productivity will yield a higher lifestyle for the American citizens.

Secondly, we want people to invest because it means somebody is going to have to produce the product that they buy. And so this—raising the deduction had a positive effect not only in the small-business sector but throughout the economy. By the way, this deduction is set to expire, and so part of my budget proposal is to double the deduction to $200,000 to help small businesses and to make this a permanent part of the Tax Code so small-business entrepreneurs have security in planning.

We also lowered the taxes on dividends and capital gains. One of the interesting statistics and why this is such an important initiative is that half of America, now 50 million households, have some investment in the stock market. Think about that. Half the households in America have got a stake in the stock market. They either own shares in individual companies or through mutual funds. By cutting the taxes on dividends and capital gains, we helped add nearly $4 trillion in new wealth to the stock market. In other words, it invigorated the markets. That's positive, particularly if you're one of the one-half of the American family that owns stock. When those stocks go up, you see the value increase in your IRAs or your 401(k)s or your mutual funds.

These gains help American families. See, there's a correlation between cutting taxes on dividends and capital gains, and increase in the market and increase in individual net worth. When that happens, that helps American families be able to afford a down payment for a home, or helps a family be able to afford a college tuition, or it helps a family in retirement enjoy a better life. In other words, there is a direct correlation between cutting taxes on the capital gains and dividends and quality of life all across America.

The tax relief on dividends and capital gains has also helped families that don't own stocks. And the reason why is, people out here understand—capital flows will tell you that cutting taxes on dividends and capital gains has reduced the cost of capital. That's economic talk for meaning the money that you borrowed doesn't cost you as much, and that helps investment. An economy in which there is ample investment is an economy in which people are able to find work. So this has been a positive part of our tax plan.

One of the interesting things that I hope you realize when it comes to cutting taxes is, this tax relief not only has helped our economy but it's helped the Federal budget. In 2004, tax revenues to the Treasury grew about 5.5 percent. That's kind of counter-intuitive, isn't it? At least it is for some in Washington. You cut taxes and the tax revenues increase. See, some people are going to say, "Well, you cut taxes; you're going to have less revenue." No, that's not what happened. What happened was, we cut taxes, and in 2004, revenues increased 5.5 percent. And last year those revenues increased 14.5 percent, or $274 billion. And the reason why is, cutting taxes caused the economy to grow, and as the economy grows, there is more revenue generated in the private sector, which yields more tax revenues.

Revenues from dividends and capital gains are up by an estimated 50 percent. Think about that. We cut the taxes, so if you got a dividend or you sell your stock after a period of time and pay capital gains—and the revenues from those two areas have gone up—the economy kicked into high gear, and we're getting more money in the Treasury.

Now, this tax relief I mentioned to you is set to expire. In other words, when Congress passed it, it wasn't permanent. Kind of like the R&D tax credit, it's kind of—it may be permanent, it may not be permanent, depending upon whether or not Congress acts.

If you're a small-business owner that's not good for you, to be wondering what your taxes are going to look like. You cannot plan your future if you're a small-business owner if you wonder whether or not your tax rates are going to go up in the short term. I don't think families are looking forward to any tax increases. I think they agree with me; we've got plenty of money to spend in Washington, and we just need to make sure we set our priorities.

If Congress doesn't act, your taxes are going to go up—and you're not going to like it, and it's going to hurt the economy. And so Congress needs to make the tax relief we passed permanent.

You will hear the argument during the budget debates, you know, all the noise coming out of Washington, that you need to raise taxes in order to balance the budget. I've been there long enough to tell you, that's not the way Washington works. They're going to raise your taxes, and they're going to find new ways to spend your money. The best way to reduce the deficit is to make sure we have progrowth economic policies in place and be smart and wise about how we spend your money.

So the second thing I want to talk to you today about—the strategy behind the budget and the decisions I made for the budget—is how we can be wise with your money. In the State of the Union, I outlined priorities. One way you're wise with your money is, you set priorities. You know what it's like to manage your own family budget. Of course, you'd like to take a vacation every week, you know, some exotic place—but you've got to set your priorities; you can't do that. You want to do this or do that, go to a fancy restaurant every night, but that's not setting priorities. Families set priorities. Individual Americans set priorities. Business people set priorities all the time when it comes to setting the budget, and that's what the Federal Government needs to do.

And the first priority of our Government is to make sure our troops in harm's way have all they need to complete their mission for the sake of peace.

The budget I've submitted has got other priorities; I mentioned some of them. A priority is to make sure that we help the folks down South get on their feet, those suffering from Hurricane Katrina. I talked about the need to have education as a priority, particularly in math and science. I talk about the priority to spend research money so we become less dependent on Middle Eastern oil. Those are priorities.

Now, when it comes to budget talk, there are two types of spending in Washington. There's called discretionary spending and mandatory spending. Discretionary spending is the kind of spending Congress votes on every year. Mandatory spending is the kind of spending that happens based upon fixed formula. We made good progress in discretionary spending. In the last year of the previous administration, nonsecurity discretionary spending rose by 15 percent. Every year of my Presidency, we've reduced the growth of that spending. And last year, Congress responded to my request and passed bills that actually cut nonsecurity discretionary spending.

There's no question, the war and the hurricanes have stressed our budget—all the more reason to set priorities and to be wise with your money. And so we submitted a budget. The budget I submitted this year proposes to cut discretionary spending that's not related to defense and homeland security. We will keep the growth in overall discretionary spending below the rate of inflation so we can cut the deficit in half by 2009.

One reason we're able to do so and meet priorities is because we've identified $14 billion in savings from programs that aren't performing very well at all. I'm going to talk a little bit later about that.

The biggest challenge we've got, however—and this is very important for our citizens to understand—when it comes to deficits. The deficits, the unfunded liabilities inherent in our mandatory programs, such as Medicare and Social Security and Medicaid. And the reason why there's a lot of unfunded liabilities in those programs is because a baby boom generation is fixing to retire, and I'm one. As a matter of fact, I turn 62 in 2008, which is a convenient year for me to be retiring. [*Laughter*] Old Judd is a baby boomer. I think he's 7 months younger than I am.

And I'm looking around, and I see a couple of baby boomers out there. And we're getting ready to get into the system. And there is a lot of us. A huge number of retirees are getting ready to get on Social Security and Medicare. And there is not a lot of—relative to those of us who retire, the number of payers in the system is shrinking. And there's a burden. The math doesn't work. It's a problem, particularly for people who are going to be having to pay for baby boomers like me.

Medicare recently was modernized. I'm not talking about the recent modernization program—which is the right thing to do, by the way. If you make a commitment to America's seniors, which Lyndon Johnson did and this country has honored, then it makes sense to make sure the health care system you provide the seniors is modern and up to date. A commitment means a commitment of modern medicine, and that's precisely what we did when we provided prescription drug coverage for seniors.

Imagine a system that said, "We will pay for an invasive surgery but not for the drugs that will prevent the surgery from being needed in the first place." It didn't make sense. Medicare was old and antiquated, and I'm proud to have signed the reform. Twenty-four million seniors are now enrolled in this new program. Tens of thousands of more are signing up each day. The prescription drug benefit is saving the typical senior more than $1,100 on medicine a year. And the average expected premium that seniors pay has gone down by a third, from $37 per month to $25 a month. It's amazing what happens when you interject competition into the health care system.

But the real problem for Medicare is the long-term problem of baby boomers coming into the system. There is going to be 78 million of us. And interestingly enough, we've been promised greater benefits than the previous generation. People ran for office who said, "Vote for me; I'm going to make sure that you get a better Social Security deal or a Medicare deal." And sure enough, Congress passed that. Do you realize that if we don't do anything on fixing this problem—and by the way, if you're a senior, you don't have anything to worry about, you'll get your check. I'm talking about knowing the system is going broke and walking around this country and talking to people who are paying payroll taxes into a broke system. And that's not right. It just doesn't make any sense to me for us not to take care of this problem.

In 2030, spending on Social Security, Medicare, and Medicaid alone will be almost 60 percent of the entire Federal budget. I mean, there is a problem. One of the tricks in Washington is just to pass them on to future Congresses and future Presidents. That's not my style. I want to get something done. I believe the job of a President is to confront problems and not say, somebody else can take care of it. That's why I ran. That's why Judd ran and Sununu ran as well, by the way. And they're strong advocates of doing something about this before it's too late.

Listen, I understand that Congress didn't act last year on the Social Security proposal I laid out, but that's not stopping me from doing what I think is right. I see a problem. And so do the American people, by the way. They see a problem, and they expect us to put aside all that needless political rhetoric, that partisanship and get something done. And I'm serious about it.

So I'm looking forward to putting together a group of both Republicans and Democrats from the Senate and the House—people who can get something done—and sitting down at the table and doing what the American people expect us to do and solve this problem for a generation of Americans that are coming up in our society.

In the meantime, we've got to do what we can do to make sure that we keep spending under control. Later today we're flying back

to Washington, and I'm going to sign a bill that will rein in spending on entitlements, on mandatory spending, by nearly $40 billion over 5 years. And I applaud Judd and Members of the House and the Senate for putting fiscal sanity back into the budget. By the way, it's hard work up there to get everybody in the same direction. Everybody thinks their own program is special. And the noise can get a little loud up there when you're making some decisions that are apparently tough decisions for some.

Let me talk about the Medicaid decision that was made. Medicaid is an important program. It's a program that's a part of our commitment to the poor and the elderly. People talked about how the decision to reform Medicaid was immoral. Well, it's not immoral to make sure that prescription drug pharmacists don't overcharge the system. You're a taxpayer, you expect the Medicaid person we're helping to be able to buy drugs at a reasonable cost. But it turns out that there was inflated markups for people who had Government help to buy drugs. That doesn't make any sense, so we reformed that. The people are still going to get their drugs, but the taxpayers aren't going to have to pay inflated prices. That seems to make sense, seems to be fair.

They talk about us slashing resources for the elderly. No, there are resources for the elderly in Medicaid, but what we did was, we said, "We're going to try to stop you from transferring assets from the parent to the child," so that the parent's apparent poverty enabled them to get on Medicaid. That's not fair. You work hard for your money. We want to take care of the poor, but we don't want to reward people who game the Medicaid system. And so we saved money for the taxpayers by making rational reforms in Medicaid. We're able to keep the commitment to the poor, and that's important for you all to understand. And at the same time, by putting commonsense reforms in place, we saved the taxpayers $4.7 billion of entitlement reform.

Let me talk about the student loan program. I remember going to Kansas State recently, and a young lady stood up and asked me a question. She said, "Well, here you are on a college campus; why are you cutting our loans?" I said, well, I didn't think we were—as a matter of fact, I thought we were helping you get student loans. She was talking about the reforms within the budget I'm going to sign today.

Let me tell you what those reforms were. There were too many subsidies to folks who were providing loans to the students. And so we decided to reform those subsidies to make it more rational for the taxpayers and, at the same time, to help the students. By reducing the cost of lending, we saved the taxpayers $22 billion, of which $10 billion will be used to increase student loans. So here is an example of staying focused on the mission, providing money for loans, and, at the same time, providing relief for the taxpayer.

The new budget I submitted builds on our progress in controlling mandatory spending by proposing another $65 billion in entitlement savings. I'm looking forward to working with Judd to get this passed out of the Senate and the House. It's an important part of maintaining fiscal discipline. Thirty-six-billion dollars of that comes from Medicare, and let me tell you how we achieve that.

The annual growth of Medicare spending is about 8.1 percent. Now if you think about inflation, the growth in that program far exceeds inflation. And the budget I submitted suggests that we slow that growth down to 7.7 percent. That doesn't seem too unreasonable to me, if you're trying to bring fiscal sanity into Washington—to slow the growth of the program down from 8.1 percent to 7.7 percent. This isn't a cut. People call it a cut in Medicare. That's not a cut. It's slowing down the rate of growth. It's the difference between slowing your car down to go the speed limit or putting your car in reverse.

In Medicare, we believe that payments ought to be made to the individual we're helping in a reasonable way. If there are productivity gains and savings to be had at the hospitals, for example, those savings ought to be given to the taxpayers, not to the hospitals. Reform means making health care providers bid and compete for services. That seems to make sense. Competition and bidding creates transparency in the process, but it also helps the taxpayers.

So we brought these reforms into place recognizing that the choices will be tough for Members of Congress—but necessary choices. That's what you expect, it seems like to me. You ought to expect us to ask the tough questions, to make sure the programs focus on the people we're trying to help, and, at the same time, achieve savings, if possible to do.

Congress is working on earmark reform, and I appreciate that a lot. It's a necessary part of making sure the budget process is rational. I look forward to helping them. I've got some ideas of my own, in terms of budget reform.

One, I believe any time Washington makes a spending commitment that our children and grandchildren will not be able to afford, I propose that Congress offset those expenditures in entitlement spending. In other words, if they make a commitment to increase entitlement spending somewhere, they've got to decrease it elsewhere, in order to make sure we have rational budgeting.

Secondly, I believe we ought to sunset Federal programs. That means that they ought to be reviewed at a certain period of time to determine whether or not they're meeting the objectives that Congress set them out to be. And if not, get rid of them.

And finally, I'd like to have the line-item veto.

I mentioned to you getting good results. Let me talk about the last part of our budget strategy. We have worked hard to insist upon results. Perhaps the most vivid example of that is in the relationship between the Federal Government and the State government when it comes to public school education. I was always worried about a system that never asked the question, "Are we getting results for our money?" It's a legitimate question, particularly when it comes to schools.

When I was the Governor of Texas, I remembered what it was like to be the Governor of a State where people just got shuffled through, and we didn't know whether they could read or write, add and subtract, until it was too late. And it was a real problem, and it's been a problem throughout our society. And so we came to Washington with a spirit of innovation and reform, worked with Judd on that bill as well. I don't mean to be mentioning your name too often, Judd, but if it helps you, fine. [*Laughter*]

But we had a new spirit when it came to funding schools, and that is, in return for Federal money—I mean, we spend a fair amount of money, not nearly as much as State and local governments, of course. About 10 percent of all the money spent nationwide is spent at the Federal level—but in return for that money, I thought it made sense to say, "Why don't you show us whether or not a child can read." That seemed to make sense. It wasn't that difficult a request.

It turns out it's a pretty difficult request politically. You know, "How dare you measure; all they're doing is teaching the test; it's racist to measure." No, it's racist not to measure. It's racist not to know whether a curriculum is working. It makes sense for the Federal Government to demand results for money spent.

We didn't tell the people of New Hampshire how to teach. We didn't design the test, nor should we, from the Federal level. I believe in local control of schools. I believe in aligning—but I darn sure want to know. And the interesting thing about these tests—we test three through eight, or we demand that the schools test three through eight. One of the parts of the test that I find most important, and I hope you do as well, is that when we find a child deficient in reading, that family gets supplemental services, extra help, where they can go get tutoring at a private or public institution. In other words, there's a focus on every child, making sure that we solve problems early before it's too late. And you can't solve a problem unless you measure. We're going to apply that same thing to the math and sciences agenda, as I mentioned to you earlier.

And so that's the spirit of asking for reform. And so I've got a group of folks that are constantly analyzing whether or not the Federal Government is doing what you're doing—doing what you expect us to do. You realize we spend $2.7 trillion a year, and there are more than 1,000 Federal programs. That's a lot, that's a lot of programs. And it makes sense to make sure that they're working. See, good intentions aren't enough, as far as this administration is concerned.

We're insisting that people show us, program managers show us, whether or not they're achieving—these programs achieve results.

Last 4 years, we've had what we call the President's Management Agenda. Employees have been working to help ensure that the programs are doing what we expect them to do. That's what they do. They spend a lot of time on this. We ask Federal managers to achieve good results at reasonable costs, and we measure them. The point is, is that if they can't prove they're achieving good results, then the programs, in my judgment, ought to be eliminated and/or trimmed back. That's why I told you earlier, we found 141 such programs. And we did the same thing in last year's budget as well.

One of the interesting innovations that we have put forth is a new web site, called expectmore.gov. It's a program where—it's a website where we start to put the measurement results up for everybody to see. Nothing like transparency into the Federal bureaucracy to determine whether or not a program is working. And so I think you'll find it innovative—I do—that the White House has put this web site up. And you'll be able to see whether or not results are being achieved for the money spent.

I'll give you one example of what we're talking about. I'll give you two examples—one example of money poorly spent, and one example of money well-spent, as a part of this management initiative—the analyzation as to whether or not the programs are actually delivering results we want.

One of them is, the Department of Energy runs the natural gas technology program that is designed or was designed to help businesses increase natural gas supplies. That sounds reasonable, doesn't it? Let's have a program at the Federal Government that says to producers, produce more natural gas. The problem is when we found out—when we analyzed the program, we found that it's impact on production is minimal. It's not working. It sounds good. Somebody thought of it, had a good title to the bill, but it's not delivering results. The private sector has got better incentives to provide natural gas for you; it's called price, not the Federal Government's program.

And so I'm asking the erstwhile chairman to eliminate the program.

Senator Judd Gregg. It's done. [*Laughter*]

The President. If it was that easy, Government would be a breeze, wouldn't it?

I'm going to talk about an example of something that is working, based upon our analysis, and these are called community health centers. Community health centers are run by HHS. Their mission is to provide effective health care for the poor and the indigent. It makes sense. If you don't believe in the nationalization of health care, which I don't, then it does make sense to provide good care for people—primary care for people that are poor or indigent.

And so community health centers, which was an idea during the previous administration, is one that we've embraced. We have found that these health care centers work really well. I don't know if you've got one in Manchester, but they're good. [*Applause*] You know what I'm talking about. And so they analyzed the cost, relative to the benefit, and it's worthwhile to fund these. And so the budget that I'm submitting increases—has a 10 percent increase for community health centers.

And so that's it. That's why—I hope you get an idea of why I submitted the budget I submitted. You know, the budgets really kind of generally are numbers. They look at numbers, but you've got to understand, I look behind the numbers and see quality of life issues. When I think about the budget, I think about making sure that the economy grows. You can't be the preeminent economy in the world if your economy doesn't grow.

When I think about the budget, I think about taxpayers and always remember whose money we spend in Washington. It's not our money; it's your money. When I think about the budget, I think about difficult issues like mandatory spending in Social Security and Medicare and how we've got to have political will to not play "gotcha" with the issue but focus on solving it for a generation coming up. When I think about the budget, I think about people that suffer from Hurricane Katrina. When I think about the budget, I

think about our troops that are doing everything they can to spread freedom and democracy so we're safe at home.

And so the budget—you'll hear numbers this, numbers that, but you've got to know that those of us who put it together really do see the human dimension behind good budgeting. Ours is a nation that is a generous nation and a compassionate nation. Ours is a nation that I truly believe can achieve anything we put our mind to. And in terms of our economic future, we shouldn't fear it, because we're going to shape it and continue to lead the world so that people who are in this country have got a high quality of life.

I really appreciate you giving me the chance to come back up here to New Hampshire. May God bless your wonderful State, and may God continue to bless our country.

NOTE: The President spoke at 11:33 a.m. at the Radisson Hotel Manchester-Center of New Hampshire. In his remarks, he referred to W. Douglas Scamman, Jr., speaker, New Hampshire State House of Representatives; Mayor Frank C. Guinta of Manchester, NH; George Gantz, chairman, and Mike Donahue, chair-elect, board of directors, Business and Industry Association of New Hampshire.

Remarks on Signing the Deficit Reduction Act of 2005

February 8, 2006

Please be seated. Thanks for coming. Welcome to the White House. In a few moments, I will sign the Deficit Reduction Act of 2005. This important piece of legislation restrains Federal spending, and it will leave more money in the pockets of those who know how to use it best, the American people.

I appreciate the Vice President being here. Mr. Speaker, welcome, Leader Frist—thank you all for coming. Senator McConnell; Senator Santorum; Senator Judd Gregg, chairman of the Senate Budget Committee; Congressman John Boehner, the House Majority Leader; Roy Blunt, the House Majority Whip; Congressman Nussle, chairman of the House Budget Committee; I want to thank you all for coming. I appreciate the members of the Cabinet who are here, as well as all the Members of the United States Congress and the Senate who have come for this important bill signing.

Our economy is strong, and it's getting stronger. We're now entering our fifth year of uninterrupted economic growth, and last year our economy grew at a healthy 3.5 percent. Real after-tax income is up nearly 8 percent per American since 2001. Productivity growth is high. Small businesses are thriving. America has added 4.7 million new jobs over the last 2½ years. The unemployment rate is down to 4.7 percent—the lowest level since July 2001.

Our economy leads the world, yet we cannot be complacent. To keep our economic momentum, we need to look at the challenges down the road and respond with wise policies now. And one of the most important policies we need to pursue is spending restraint in Washington, DC.

Earlier this week, I sent Congress a disciplined Federal budget for 2007, and this morning I traveled to New Hampshire with Chairman Gregg, Senator Sununu, Congressman Bass, and Congressman Bradley to discuss the new budget proposal in detail. The budget strategy begins with keeping taxes low so that Americans can spend, save, and invest more of their own money—and that will help keep our economy growing and creating jobs. My budget funds our priorities, starting with funding the United States military, promoting alternative sources of energy, investing in math and science education and basic research, and helping to care for the poor and the elderly.

At the same time, my budget tightens the belt on Government spending. Every American family has to set priorities and live within a budget, and the American people expect us to do the same right here in Washington, DC.

The Federal budget has two types of spending, discretionary spending and mandatory spending. Discretionary spending is the kind of spending Congress votes on every year. Last year, Congress met my request and passed bills that cut discretionary spending not related to defense or homeland security. And this year, my budget again proposes to cut this spending. My budget also proposes again to keep the growth in overall discretionary spending below the rate of inflation,

so we can stay on track to cut the deficit in half by 2009.

In the long run, the biggest challenge to our budget is mandatory spending—or entitlement programs like Medicare and Medicaid and Social Security. Entitlement spending is determined by a specific formula, and it rises automatically, year after year, unless the Congress intervenes. Together, Medicare, Medicaid, and Social Security are now growing faster than the economy, faster than the population, and nearly three times the rate of inflation. And the retirement of baby boom generation will put even more strains on these programs. By 2030, spending for Medicare, Medicaid, and Social Security alone will be almost 60 percent of the entire Federal budget. And that will leave future generations with impossible choices: staggering tax increases, immense deficits, or deep cuts in every category of spending.

Bringing entitlement spending under control is a critical priority of our Government. We need to slow the annual growth of entitlement programs to levels that we can afford—we do not need to cut these programs. There is an important distinction; it is the difference between slowing your car down to the speed limit or putting your car into reverse. By making wise reforms that will reduce the annual growth of mandatory spending, the Deficit Reduction Act will save taxpayers nearly $40 billion over the next 5 years; that's about $300 per taxpayer.

The Deficit Reduction Act is estimated to slow the pace of spending growth in both Medicare and Medicaid. Medicare is a Federal program that provides health care for older Americans. Medicaid is a program administered in conjunction with the States that provides health care for low-income Americans, family with children, and some seniors. These programs are providing vital services to millions of Americans in need, yet the costs of Medicare and Medicaid are straining budgets at both the State and Federal level. The bill I sign today restrains spending for entitlement programs, while ensuring that Americans who rely on Medicare and Medicaid continue to get the care they need.

The Deficit Reduction Act is estimated to reduce the growth in Medicare spending by more than $6 billion over the next 5 years. The bill, together with the Medicare act of 2003, requires wealthier citizens to pay higher premiums for their Medicare coverage. The savings created by this reform and others will make it possible to increase Federal funding for important areas like kidney dialysis and rural hospitals. With this bill, we're showing that we can keep the promise of Medicare and be good stewards of the taxpayers' money at the same time.

The Deficit Reduction Act will also reduce the growth in Medicaid spending by nearly $5 billion over the next 5 years. This bill helps restrain Medicaid spending by reducing Federal overpayment for prescription drugs. Taxpayers should not have to pay inflated markups for the medicine that the people on Medicaid depend. The bill gives Governors more flexibility to design Medicaid benefits that meet the needs of their States efficiently and affordably. The bill tightens the loopholes that allowed people to game the system by transferring assets to their children so they can qualify for Medicaid benefits. Along with Governors of both parties, we are sending a clear message: Medicaid will always provide help for those in need, but we will never tolerate waste, fraud, or abuse.

The Deficit Reduction Act's reforms in Medicare and Medicaid are a step on the road to long-term stability for these important programs. Now we need to continue finding ways to make Medicare and Medicaid more efficient. My budget next year proposes another $36 billion in savings on Medicare and more than a billion in savings on Medicaid. Budget proposals will slow the annual growth in Medicare over the next 5 years from 8.1 percent to 7.7 percent. That seems reasonable. And together with the bill I sign today, my budget will slow the average annual growth of Medicaid over the next 5 years from 6.9 percent a year to 6.6 percent a year. This is progress in the right direction, but these growth rates are still unsustainable.

In the long run, ensuring the stability of Medicare and Medicaid requires structural reform. So I have proposed a bipartisan commission to examine the full impact of baby

boomer retirements on Medicare and Medicaid as well as Social Security. The commission will include Members of Congress from both political parties. It will recommend long-term solutions that will keep the promise of these vital programs while addressing their growing costs. I look forward to working with Congress to get this problem solved for generations to come.

As the Deficit Reduction Act delivers savings in mandatory spending, it also shows the compassion of America. This bill provides new resources for programs that serve some of our citizens with the greatest needs—including hurricane victims, children, and low-income families struggling to pay their heating bills.

The Deficit Reduction Act makes important improvements to Federal student loan programs. The bill cuts excess Government subsidies to lenders and makes other reforms that will help us reduce overall student loan costs by about $22 billion. With that money, we will save the taxpayers $12 billion—because we intend to increase student aid by 10 additional billion dollars. What I'm telling you is, the students are getting the money, and we're making the program a lot more efficient for the taxpayers.

The Deficit Reduction Act also reauthorizes welfare reform for another 5 years. Welfare reform has proved a tremendous success over the past decade. By insisting on programs that require work and self-sufficiency in return for Federal aid, we've helped cut welfare cases by more than half since 1996. Now we're building on that progress by renewing welfare reform with a billion-dollar increase in child care funding and new grants to support healthy marriage and responsible fatherhood programs.

One of the reasons for the success of welfare reform is a policy called charitable choice which allows faith-based groups that provide social services to receive Federal funding without changing the way they hire. Ten years ago, Congress made welfare the first Federal program to include charitable choice. The bill I sign today will extend charitable choice for another 5 years and expand it to the new healthy marriage and responsible fatherhood programs. Appreciate the hard work of all who supported the extension of charitable choice—including the good-hearted men and women of the faith-based community who are here today. By reauthorizing welfare reform with charitable choice, we will help millions more Americans move from welfare to work and find independence and dignity and hope.

The message of the bill I sign today is straightforward: By setting priorities and making sure tax dollars are spent wisely, America can be compassionate and responsible at the same time. Spending restraint demands difficult choices, yet making those choices is what the American people sent us to Washington to do. One of our most important responsibilities is to keep this economy strong and vibrant and secure for our children and our grandchildren. We can be proud that we're helping to meet that responsibility today.

Now I ask the Members of the Congress to join me as I sign the Deficit Reduction Act of 2005.

NOTE: The President spoke at 3:31 p.m. in the East Room at the White House. S. 1932, approved February 8, was assigned Public Law No. 109–171.

Statement on Signing the Deficit Reduction Act of 2005

February 8, 2006

Today, I have signed into law S. 1932, the "Deficit Reduction Act of 2005." The Act reduces unnecessary spending of taxpayer dollars, reflecting a commitment to fiscal responsibility.

The executive branch shall construe section 1936(d)(2) of the Social Security Act as enacted by section 6034 of the Act, which purports to make consultation with a legislative agent a precondition to execution of the law, to call for but not mandate such consultation, as is consistent with the Constitution's provisions concerning the separate powers of the Congress to legislate and the President to execute the laws.

Sections 5006(b) and 5008(c) of the Act, and section 401A(a)(2)(C) of the Higher Education Act of 1965 as enacted by section 8003 of the Act, call for executive branch officials to submit legislative recommendations

to the Congress. The executive branch shall construe such provisions in a manner consistent with the constitutional authority of the President to supervise the unitary executive branch and to recommend for congressional consideration such measures as the President shall judge necessary and expedient.

George W. Bush

The White House,
February 8, 2006.

NOTE: An original was not available for the verification of the content of this statement.

Remarks to the National Guard Association of the United States

February 9, 2006

Thanks for that warm welcome. I'm delighted to be here with the men and women of the National Guard Association of the United States. For 128 years, the National Guard Association has been fighting for the citizen soldiers who fight for America. I appreciate your service, and I appreciate you supporting those that America depends on in times of crisis. Our Nation is safer because citizens are willing to put on the uniform and defend our freedom.

The first thing I want to tell you is America is grateful for the service of our guards men and women, and I'm proud to be their Commander in Chief.

I thank Brigadier General Bob Taylor for his service and for his introduction. I appreciate Congressman Jim Gibbons, who is with us today, from the great State of Nevada. Thanks for coming, Congressman. I'm proud you're here; thanks for supporting the Guard.

I thank Brigadier General Steve Koper, retired president of the National Guard Association of the United States. General, thank you for greeting me. I'm proud to be here with Major General Roger Lempke, the president of the Adjutants General Association. I thank my friend Lieutenant General Danny James. One of the interesting things about my life, I've been the Commander in Chief twice: today and when I was the Governor of Texas. And Danny and I worked together for the good of our State. Thanks for coming, Danny; glad to see you brought your beautiful wife too.

I want to thank Lewis King; he's the Chief Warrant Officer, retired. He helped raise the money for this box, and I appreciate it very much, Lewis, and all those who contributed to it. I want to thank Charles Parks, the sculptor. Charles caught me before my hair went gray. [*Laughter*]

I also want to thank Lanny McNeely for joining us today; he's the head of the 147th Wing Guard at Ellington, where I used to serve. And I appreciate you coming, Colonel. Thanks for being here. Thanks for greeting me when I arrived there, on Air Force One there at Ellington—checking on my mother and father on a regular basis. I also want to thank Chuck Rodriguez, who's the TAG of Texas. When you're a Texan, you always got to make sure you pay attention to your fellow Texans.

And thank you all for having me. I want to share with you some thoughts about the war on terror. Before I do, I want to remind our country that the Guard has been fighting for America since before America was a nation. From the "First Muster" in 1636 to today's global war on terror, Americans have counted on the Guard to protect our land and defend our way of life. The role of the Guard in our military is unique. It's the only part of the Armed Forces that serves both the State and the Nation. And in the past year, Americans have witnessed the courage of our guards men and women at home and abroad.

When Hurricane Katrina struck the gulf coast last year, more than 40,000 guards men and women rushed to the impact zone—it was the largest stateside deployment in National Guard history. They conducted search and rescue operations, distributed food and water, provided emergency medical care, protected communities from criminality, and worked around the clock to repair homes and restore power. Guard units from all 50 States, three U.S. territories, and the District of Columbia provided assistance. And together, they saved lives and helped evacuate over 175,000 people stranded by the storm.

When the Pennsylvania National Guard came to repair the roof of a Louisiana woman, she said this to the soldiers: "That's

a long way to come to help us. We're really grateful—you boys are going to heaven, I tell you." [*Laughter*] When tragedy strikes, Americans know they can count on the men and women of the National Guard.

As you protect your neighbors from natural disasters, you're also protecting the American people from terrorist dangers. Since September the 11th, 2001, more than 260,000 members of the National Guard have been mobilized for various missions in the war on terror. At this moment, guards men and women are training the Afghan National Army, standing watch over the world's most dangerous terrorists in Guantanamo Bay, Cuba, and taking the fight to the enemy in Iraq. Across the world and on every front, the men and women of the Guard are serving with courage and determination. And they're bringing us to victory in the global war on terror.

Your service is vital to the security of the country and the peace of the world, and that service would not be possible without the support of the Guard families. Guard loved ones miss their husband and wife or son and daughter; they worry when our guards people are deployed overseas. By standing behind our guards men and women, the families of the Guard serve our country as well, and America appreciates their service.

Our Nation also depends on the commitments of the employers of the guards men and women. In offices and schools and factories across America, organizations do without the talents of some really fine people that have been called upon to protect our Nation. Businesses that are putting patriotism ahead of profit deserve the gratitude of all Americans.

Each of the guards men and women have stepped forward to defend our country, and our country owes them something in return. We've taken a number of steps to improve the callup process so it's more respectful to the guards men and women and their families. In most cases, we're now giving you at least 30 days notification before mobilization so that you and your families have time to make arrangements. We're working to give you as much certainty as possible about the length of mobilizations so you can know when you will be able to resume civilian life. We're working to minimize the number of extensions and repeat mobilizations. We're working to ensure that you and your families are treated with the dignity they deserve.

We're also taking steps to improve the quality of life. We've expanded health care benefits for Guard and Reserve forces and their families, giving you access to the military's TRICARE system. We're also expanding access to education for America's citizen soldiers. I was proud to sign legislation providing our Guard and Reserve forces between 40 to 80 percent of education benefits available to Active Duty Forces—depending on the length of their mobilization in the war on terror. We've also tripled the amount that can be paid for reenlisting in the National Guard or Reserve. The last month, I signed into law a new retention bonus for guardsmen and reservists with critical skills needed in this war on terror. Our guardsmen and reservists are standing up for America, and you need to know that this administration supports you in your efforts.

We're working to give you the tools and resources you need to prevail in the war on terror and meet State and homeland security missions as well. Our 2007 budget that I just submitted to the Congress increases funding for our men and women of Armed Forces by $28.5 billion. That includes vital funds to help the National Guard meet its responsibilities during this war.

The Army National Guard currently has about 330,000 soldiers, and my 2007 budget funds the Guard at that level. As the Guard recruits above that level, we'll make certain that there is funding in place for every citizen who steps forward to wear the uniform. And to ensure that the Army and our Air National Guard are ready for any challenge, my budget more than doubles funding for equipment and modernization over the next 5 years. Any time we've got folks in harm's way, they deserve the best: the best pay possible, the best training possible, and the best equipment possible. It's a commitment this administration has made since I've been the Commander in Chief, and it's a commitment we will keep.

We remain a nation at war. I wish I could report, you know, a different sentence to you. But my job as the President of the United

States is to keep the American people fully informed of the world in which we live. In recent months, I've spoken extensively about our strategy for victory in Iraq. Today I'm going to give you an update on the progress that we're making in the broader war on terror, the actions of our global coalition to break up terrorist networks across the world, plots we've disrupted that have saved American lives, and how the rise of freedom is leading millions to reject the dark ideology of the terrorists and laying the foundation of peace for generations to come.

On September the 11th, 2001, our Nation saw that vast oceans and great distances could no longer keep us safe. I made a decision that day that America will not wait to be attacked again. And since that day, we've taken decisive action to protect our citizens against new dangers. We're hunting down the terrorists using every element of our national power: military, intelligence, law enforcement, diplomatic, and financial. We're clarifying the choice facing every nation: In this struggle between freedom and terror, every nation has responsibilities, and no one can remain neutral.

Since September the 11th, we've led a broad coalition to confront the terrorist threat. Four weeks after the attacks, America and our allies launched military operations to eliminate the terrorists' principal sanctuary in the nation of Afghanistan. I told the world that if you harbor a terrorist, you're equally as guilty as the terrorists. And when an American President says something, he better mean what he said; I meant what I said.

We removed a cruel regime that oppressed its people, brutalized women and girls, and gave safe haven to the terrorists who attacked America. Because we acted, the terror camps in Afghanistan have been shut down and 25 million people have tasted freedom, many for the first time in their lives. Afghanistan now has a democratically elected President, a new national assembly, and the beginnings of a market economy. Women are working and starting their own businesses. Boys and girls are back in school. The Afghan people are building the institutions of a lasting democracy and the foundations of a hopeful future for their children and their grandchildren.

Afghanistan still faces serious challenges, from illicit drug trafficking to continued violence from Al Qaida and the remnants of the Taliban regime. So the international community is working together to help Afghanistan's young democracy succeed. Earlier this month, Prime Minister Tony Blair hosted over 40 nations and 9 international organizations for a conference in London, where they pledged $10.5 billion in aid to Afghanistan. With the help of 35 nations, NATO is leading the International Security Assistance Force in Afghanistan.

The United States, Britain, Norway, Germany, Italy, Spain, Lithuania, Canada, the Netherlands, and New Zealand are all leading provincial reconstruction teams. These teams are helping the Afghan Government extend its authority and provide security in provinces all across the country. Our coalition has trained nearly 27,000 Afghan soldiers and more than 56,000 Afghan police, so they can take the fight to the terrorists and eventually provide security for this new democracy. Afghan forces are risking their lives to fight our common enemy, and coalition forces are proud to serve along with such courageous and bold and determined allies.

Our coalition is also working to root out and destroy terrorist networks all around the world. More than 90 nations—nearly half the world—are now cooperating in the global campaign to dry up terrorist financing, hunt down terrorist operatives, and bring terrorist leaders to justice.

Some said that an aggressive strategy of bringing the war to the terrorists would cost us international support; it would drive nations from our coalition. The opposite has happened. Today, more governments are cooperating in the fight against terror than ever before. And in one of the most significant developments of this war, many nations that once turned a blind eye to terror are now helping lead the fight against it.

A little over 4 years ago, Pakistan was only one of three countries in the world that recognized the Taliban regime in Afghanistan. Today, Pakistan forces are risking their lives in the hunt for Al Qaida. President Musharraf has faced several attempts on his life since his courageous decision to join the war on terror. Before September the 11th,

terrorist supporters were operating with relative ease in Saudi Arabia, where fundraisers and facilitators were providing money and logistical support to Al Qaida. Since the Riyadh bombings in May of 2003, the Saudi Government has recognized that it is a prime target of the terrorists. And in the past 2½ years, Saudi forces have killed or captured nearly all of the terrorists on their most-wanted list. They've reduced the flow of money to terror groups and arrested hundreds of radical fighters bound for Iraq.

These governments are taking important steps to confront terror, and as they do, we will continue to encourage them to take the path of political reform. By respecting the rights and choices of their own people, these nations can marginalize the extremists, strengthen their societies, and eliminate the conditions that feed radicalism.

These and other governments around the world are stepping forward to fight the terrorists because they know the lives of their citizens are at stake. President Musharraf said something interesting: "Terrorism threatens to destabilize all modern societies. It cannot be condoned for any reason or cause. The people of Pakistan have suffered from terrorism, and we are making our contribution to the fight against terrorism." President Musharraf is right. In the war against terror, there is no separate peace, and no nation can stand on the sidelines.

By standing together, the United States and our partners are striking real blows against the enemy. Since September the 11th, 2001, our coalition has captured or killed Al Qaida managers and operatives in over two dozen countries. That includes many of Al Qaida's operational commanders—the senior leaders responsible for day-to-day planning of terrorist activities across the globe. In November 2001, our coalition forces killed Muhammad Atif with an air strike in Afghanistan. In March 2003, his replacement, Khalid Sheikh Mohammed, was captured in Pakistan. In May 2005, the man who took over for him, a terrorist named al-Libbi, was captured in South Asia.

The terrorists are living under constant pressure, and this adds to our security. When terrorists spend their days working to avoid death or capture, it's harder for them to plan and execute new attacks on our country. By striking the terrorists where they live, we are protecting the American homeland.

Since September the 11th, the United States and our coalition partners have disrupted a number of serious Al Qaida terrorist plots, including plots to attack targets inside the United States. Let me give you an example. In the weeks after September the 11th, while Americans were still recovering from an unprecedented strike on our homeland, Al Qaida was already busy planning its next attack. We now know that in October 2001, Khalid Sheikh Mohammed—the mastermind of the September the 11th attacks—had already set in motion a plan to have terrorist operatives hijack an airplane, using shoe bombs to breach the cockpit door, and fly the plane into the tallest building on the west coast. We believe the intended target was Liberty [Library]* Tower in Los Angeles, California.

Rather than use Arab hijackers as he had on September the 11th, Khalid Sheikh Mohammed sought out young men from Southeast Asia, whom he believed would not arouse as much suspicion. To help carry out this plan, he tapped a terrorist named Hambali, one of the leaders of an Al Qaida affiliated group in Southeast Asia called "JI." JI terrorists were responsible for a series of deadly attacks in Southeast Asia, and members of the group had trained with Al Qaida. Hambali recruited several key operatives who had been training in Afghanistan. Once the operatives were recruited, they met with Usama bin Laden, and then began preparations for the west coast attack.

Their plot was derailed in early 2002 when a Southeast Asian nation arrested a key Al Qaida operative. Subsequent debriefings and other intelligence operations made clear the intended target and how Al Qaida hoped to execute it. This critical intelligence helped other allies capture the ringleaders and other known operatives who had been recruited for this plot. The west coast plot had been thwarted. Our efforts did not end there. In

* White House correction.

the summer of 2003, our partners in Southeast Asia conducted another successful manhunt that led to the capture of the terrorist Hambali.

As the west coast plot shows, in the war on terror, we face a relentless and determined enemy that operates in many nations, so protecting our citizens requires unprecedented cooperation from many nations as well. It took the combined efforts of several countries to break up this plot. By working together, we took dangerous terrorists off the streets; by working together, we stopped a catastrophic attack on our homeland.

Across the world, our coalition is pursuing the enemy with relentless determination. And because of these efforts, the terrorists are weakened and fractured, yet they're still lethal. We cannot let the fact that America hasn't been attacked in 4½ years since September the 11th, lull us into an illusion that the threats to our Nation have disappeared. They have not. Just last month, we heard Usama bin Laden declare his intention to attack America again. Our military, law enforcement, homeland security, and intelligence professionals take those threats very seriously, and they're working around the clock, day and night, to protect us. We are safer for their efforts, but we're not yet safe. America remains at risk, so we must remain vigilant. We will stay on the offensive. We will hunt down the terrorists, and we will never rest until this threat to the American people is removed.

We will continue to take the fight to the enemy. Yet we must also recognize in the long run, victory will require more than military means alone. Ultimately, the only way to defeat the terrorists is to defeat their dark vision of hatred and fear by spreading the hope of freedom to troubled regions of the world. The terrorists have an ideology. They share a hateful vision that rejects tolerance and crushes all dissent, a world where women are oppressed and children are indoctrinated and those who reject their ideology of violence and extremists are threatened and often murdered.

The terrorists have aims; they seek to impose their heartless ideology of totalitarian control throughout the Middle East and arm themselves with weapons of mass murder. Their stated goal is to overthrow moderate governments, take control of countries, and use them as safe havens to launch attacks against America. When an enemy states a goal and a strategy and tactics, we must take their word seriously.

To achieve their aims, the terrorists need popular support. We know this from the terrorists' own words. In a letter to his chief of operations in Iraq, the terrorist Zawahiri wrote that popular support is, quote, "a decisive factor between victory and defeat. In the absence of this popular support, the movement would be crushed in the shadows." He went on to say, "Therefore, our planning must strive to involve the Muslim masses in the battle."

So a key part of the terrorists' strategy is to feed public resentment by convincing people across the Muslim world that the future holds just two choices: One of Islam and holiness and virtue; and one of Western decadence, immorality, and imperialism. They use every opportunity to promote this false choice. Sometimes they spread blatant lies about America. Other times, it is American mistakes—like the abuses of Abu Ghraib—that give them ammunition in their campaign to foment anti-Western sentiment and rally Muslims to support their dark ideology.

The problem for the terrorists is, they cannot hide the inhumanity of their ideology. Because they lack the military strength to challenge us directly, they have turned to the weapon of fear. They seek to break our will with stunning acts of violence. They don't understand America. They cannot shake our will. We will stay on the hunt. We will never give in, and we will win this war on terror.

In the terrorists' campaign of violence and destruction, the majority of their victims since 9/11 have been innocent Muslims. When the people in the Arab world see Al Qaida murdering Iraqi children or blowing up mourners in an Iraqi mosque, their outrage grows. And as the terrorists spread violence in places like Riyadh and Istanbul and Sharm el-Sheikh and Jakarta and Bali, the people of those countries are starting to turn against the terrorists.

After terrorists bombed a Palestinian wedding at a hotel in Amman last November, thousands of Jordanians took to the street

and rallied against Al Qaida. One protester carried a sign that read, "Jordan's Nine-Eleven." Others chanted, "This is not Islamic; this is terrorism!" The outrage even reached the Jordanian town of Zarqa—birthplace of the terrorist Zarqawi, who heads Al Qaida in Iraq and who was the mastermind of the Jordan bombing. A cousin standing outside the Al Qaida leader family home said this: "We hate him even more than other people do now." Zarqawi was even expelled by his own tribesmen, hundreds of whom declared in a letter to a Jordanian newspaper, quote, "We renounce his actions, pronouncements, or whatever he approves of; we disown him until judgment day."

Before the bombings, most Jordanians reportedly sympathized with Al Qaida. Today, only a minority sympathize with Al Qaida, and most Jordanians say its activities are not in conformity with the teachings of Islam. Similar shifts in public opinion are beginning to appear in other parts of the Muslim world. From Pakistan to Indonesia to Al Qaida's former home base of Afghanistan, more people now say they oppose the terrorists and their tactics.

These are positive signs, but we still have a long way to go. So we'll continue to oppose the terrorists' ideology by offering the hopeful alternative of political freedom and peaceful change. We're working to spread the hope of liberty across the broader Middle East, because we've learned the lessons of history: Free nations don't wage wars of aggression; they don't give safe haven to terrorists to attack other democracies. Free nations are peaceful nations. And when democracy takes hold, nations replace resentment with hope, respect the rights of their citizens and their neighbors, and join the fight against the terrorists. Every step toward freedom in the world makes this country safer, so across the world, the United States of America is acting boldly in freedom's cause.

We're standing with the brave people of Iraq as they risk their lives to build a strong democracy in the heart of the Middle East. And their courage is changing their country, and it's changing the region, and it's changing the world. Before January 2005 elections, the terrorists threatened anybody who voted with death. The Iraqi people defied the threats and went to the polls in that election and two other elections last year, each with larger and broader participation than the one that came before. Iraqis are rejecting terror; they're rejecting the violence. And they want to replace terror and violence with openness and democracy. They have made their decision, and the world saw their decision. They're showing the world that the terrorists' ideology cannot compete on a level playing field with the ideology of freedom.

Iraqis still face challenges, and they're serious. The terrorists and Saddamists continue to sow violence and terror, and they will continue fighting freedom's progress with all the hateful determination they can muster. The Iraqis still have to overcome long-standing ethnic and religious tensions, and they must build the institutions of a free society that will serve all the people, not narrow political or religious interests. These challenges ahead are complex and difficult, yet the Iraqis are determined to overcome them, and our coalition is determined to help the Iraqi people succeed.

We're carrying out a clear strategy for victory in Iraq. First, we're helping the Iraqis build an inclusive government, so that old resentments will be eased and the insurgency marginalized. Second, we're continuing reconstruction efforts and helping Iraqis build a modern economy, so all Iraqi citizens can experience the benefits of freedom. And, third, we're striking the terrorist targets. We're after the terrorists, and at the same time, we're training Iraqi forces, which are becoming increasingly capable of defeating the enemy. The Iraqi forces show courage every day. We are proud to be the allies in the cause of freedom. As Iraqis stand up, America and our coalition will stand down.

Many of you are concerned about troop levels in Iraq. Those decisions will be made based upon conditions on the ground, based upon the recommendations of our military commanders, not based upon politics in Washington, DC.

The courage of Iraqis is inspiring others across the broader Middle East to claim their freedom as well. And the message is going forth, from Damascus to Tehran, that the future of the Middle East belongs to freedom. As liberty spreads in this vital region and

freedom produces opportunity and hope for those who have not known it, the terrorist temptation will start to fall away. And as more nations claim their freedom, we will gain new allies in the war on terror and new partners in the battle for peace and moderation in the Muslim world.

Before that day comes, there will be more days of testing. The terrorists remain brutal and determined, and they still have some resources at their disposal. The attacks in London and Madrid and other cities are grim reminders of how lethal Al Qaida remains. Money is still flowing to radical mosques and madrassas, which are still turning out new terrorist recruits. Some countries, like Syria and Iran, still provide terrorists with support and sanctuary. And the terrorists are sophisticated at spreading propaganda and using spectacular attacks to dominate our evening news.

Yet from the vantage point of a terrorist sitting in a cave, the future seems increasingly bleak. Consider how the world looks 4½ years into the war on terror: The terrorists have lost their home base in Afghanistan and no longer have control of a country where they can train recruits and plot new attacks; many of their leaders are dead or in custody, and the rest of them are on the run; they've been reduced to using messengers to communicate; they're running low on funds and have been forced to beg the terrorists in Iraq to send money; countries that once allowed them free reign are now on the hunt.

Their efforts to divide the West have largely failed, and the vast majority of the world's governments are standing firm and working together in the fight against those terrorists. Iraqis are forming a unity government instead of giving into disunity, instead of fighting the civil war that the terrorists hoped to foment. Iraqi Sunnis are joining the political process. The success of democracy in Iraq and Afghanistan is inspiring calls for change across the region. And the terrorists' strategy of attacking innocent Muslims is beginning to backfire and expose them for what they are: murderers with no respect for human life and human dignity.

Despite the violence and the suffering the terrorists are wreaking, we're winning the war on terror. Yet victory will require more courage and sacrifice. In this war, we have said farewell to some very good men and women, including more than 360 heroes of the National Guard. We hold their loved ones in our hearts, and we lift them up in our prayers. These brave Americans gave their lives for a cause that is just and necessary for the security of our country. And their sacrifice is sparing millions from lives of tyranny and sorrow.

And now we will honor their sacrifice by completing the mission. And in this long run, we can be confident in the outcome of this struggle, because we've seen the power of freedom to defeat tyranny and terror before, and because we have on our side the greatest force for freedom in the history of the world: the men and women of the United States Armed Forces.

One of the great strengths of our military is that it's an all-volunteer army and all-volunteer force. And since the attacks of September the 11th, 2001, nearly 1.5 million Americans has stepped forward to put on our Nation's uniform, including nearly 290,000 who have joined the National Guard. Nearly 1.3 million more American troops have made the courageous decision to re-enlist and stay in the fight, including more than 350,000 members of the National Guard.

These brave Americans saw the future the terrorists intend for us, and they said, "Not on my watch." Four-and-a-half years into the fight, America's Armed Forces are determined, experienced, and ready for any challenge, and our Nation is blessed to have such brave defenders. All of you are bringing honor to the uniform and pride to our country and security to the American people. America will always be grateful for your service in the cause of freedom.

Thank you for letting me come today. God bless you and your families, and may God continue to bless our country.

NOTE: The President spoke at 10:03 a.m. at the National Guard Memorial Building. In his remarks, he referred to Brig. Gen. Robert V. Taylor, USA, assistant adjutant general, Michigan Army National Guard—Army, and chairman, National Guard Association of the United States; Lt. Gen. Daniel James, USAF, director, Air National Guard, and his wife, Dana; Maj. Gen. Charles G.

Rodriguez, USA, adjutant general, Texas National Guard; President Hamid Karzai of Afghanistan; Prime Minister Tony Blair of the United Kingdom; President Pervez Musharraf of Pakistan; Khalid Sheikh Mohammed, senior Al Qaida leader responsible for planning the September 11 attack, who was captured in Pakistan on March 1, 2003; Abu Faraj al-Libbi, senior Al Qaida associate arrested in Pakistan on April 30, 2005; Nurjaman Riduan Isamuddin (also known as Hambali), Al Qaida's chief operational planner in Southeast Asia, who was captured in Thailand on August 11, 2003; Usama bin Laden, leader of the Al Qaida terrorist organization; and Ayman Al-Zawahiri, founder of the Egyptian Islamic Jihad and senior Al Qaida associate. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks Following Discussions With President Lech Kaczynski of Poland

February 9, 2006

President Bush. Mr. President, welcome to the Oval Office. It's really good to have you here. We have just had a extensive discussion about important issues. After this press statement, we'll go have lunch and continue our discussions. And we've got a lot to discuss, because we're strong allies and friends. We're friends in liberty. We believe in peace.

I told the President, it's amazing to be sitting with somebody who knows the difference between living in a society that is not independent and not free, and one that—and now he's the President of a free country. I thanked the President and the Polish people for their support of the democracy movement in Iraq.

We had a very interesting discussion about NATO and the European Union. You can be an active member of the EU, a loyal member of the EU, and a friend of the United States at the same time. I asked the President his advice on Ukraine. That's what friends do; they share information and share strategic thoughts.

We talked about the importance for commercial ties. We'll continue those discussions over lunch. The President of Poland comes to a country that respects Poland. There's a lot of Polish Americans that have still got great pride for the homeland. We congratulate you on your victory and welcome you.

Thanks for coming.

President Kaczynski. President Bush has spoken of the subject of our talks. The first part has been extended, to a certain extent, and we will continue our discussions during lunch. We have discussed issues relating to NATO, the European Union, Belarus, Ukraine, and Russia and Iraq and Afghanistan. In other words, to say very briefly, we've discussed all issues that both countries are interested in.

Mr. President and myself have discussed issues relating to freedom in the Ukraine and Belarus. And the support of the United States for all actions that are leading to freedom in Ukraine and Belarus are very important for Poland at the same time. There have been certain signals that might lead to an improvement of relations between the Republic of Poland and the Russian Federation. We have no certainty yet, but these signals we have received, and we're hoping for an improvement in relations between Poland and Russia.

We shall continue our talks in a few minutes.

President Bush. Thank you, sir. Thank you.

NOTE: The President spoke at 11:57 a.m. in the Oval Office at the White House. President Kaczynski spoke in Polish, and his remarks were translated by an interpreter.

Statement on the Resignation of Claude Allen as Assistant to the President for Domestic Policy

February 9, 2006

Claude Allen has been a trusted adviser since 2001. As Deputy Secretary of Health and Human Services, he worked hard to improve the health and welfare of all Americans. During the past year, he has served as my top domestic policy adviser at the White House and has helped develop policies that will strengthen our Nation's families, schools, and communities.

Claude is a good and compassionate man, and he has my deep respect and my gratitude. I thank him for his many years of principled and dedicated service to our country. Laura and I wish Claude, Jann, and their family all the best.

Remarks to the House Republican Conference in Cambridge, Maryland

February 10, 2006

Thank you very much. It's an honor to be back here again. Mr. Speaker, thank you for your leadership and your friendship. One of the real joys of being in Washington is to be able to work with Speaker Hastert. He is a straightforward—[*applause*]. Some of my buddies at home say, "What's he like?" I say, "He's a straightforward, no-nonsense kind of guy who's here to get things done." And, Mr. Speaker, thank you for your leadership and your friendship.

I congratulate the Majority Leader, John Boehner; looking forward to working with you, John. Congratulations to you. I appreciate Roy Blunt, he's a—right after I called Boehner from Air Force One, I called Blunt and I said, "I want to say two things to you: One, thanks for waging the race for the Majority Leader; and second, thanks for passing the reconciliation package." He said, "If I could count votes as good on my race as I did on the reconciliation package"—[*laughter*]. But I appreciate a man who is gracious in defeat. But he's still got an important position, and I'm looking forward to working with you, Roy. Thank you.

I appreciate the rest of the folks up here. Thank you all for coming. It is an honor to serve our country with you. I hope you feel that way as well. There is nothing more heartwarming and exhilarating than to represent the good people of the United States of America here in Washington. I want to thank you all for your service. I particularly want to thank your families for your service to our country as well. The cause is noble and worthwhile.

A couple of things I want to say, and then I'll be glad to answer some of your questions. First, the state of our Union is strong, and it's getting stronger. And I want to thank you all for putting policies in place that, on the one hand, spread prosperity throughout the country and, at the same time, spread freedom and peace throughout the world.

You know, we've overcome a lot in this country. If you really think about what this economy has been through, it's amazing how resilient and flexible and strong our economy is. We're growing at faster rates than any major industrialized nation in the world. We've added over 4.5 million new jobs since April of 2003. The national unemployment rate is 4.7 percent. Productivity is high.

One of the things we've been working together is to promote an ownership society. More people own a home than ever before in our Nation's history. More minority families own a home than ever before in our Nation's history. Small businesses are thriving. The economic plan we put in place is working. And it starts with saying to the American people, "We trust you with your own money."

We've got a record, and it's a record of accomplishment. We have worked closely together to achieve results for the American people. We've been fiscally wise with the people's money. I want to thank you for that bill you sent me that I signed yesterday. It's hard work to cut out and cut back on programs that don't work. Every program sounds beautiful in Washington, DC, until you start analyzing the results. And I want to thank you for being wise with the people's money.

You know, you hear people in Washington, DC, saying, "Well, we've got to solve the deficit, and the best way to do it is raise the people's taxes." We understand that's not the way Washington works. What happens is, they'll raise your taxes and figure out new ways to spend your money. The best way to reduce the deficit is to keep progrowth policies in place and be wise with the taxpayers' money.

The House passed a good piece of legislation to help us secure our borders, and I want to thank you for that. The House passed good energy legislation last year. The House passed good tort reform last year, including class-action reform and bankruptcy. The House passed the PATRIOT Act last year. The House passed CAFTA last year. Last

year was a year of accomplishment for the House of Representatives, thanks to the leadership here at the table.

And we're ready to lead again. We don't fear the future, because we're going to shape the future of the United States of America. And that means supporting our troops in harm's way. I want to thank you for supporting the troops last year, and I look forward to working with you to support our troops this coming year.

We'll continue to lead. And I want to appreciate your steadfast support in the war on terror. Our most important responsibility is to protect the American people from harm. And I want to thank the Members of Congress for working with the administration to protect the American people from future attack.

You know, in my State of the Union—thanks for paying attention to it when I got up there the other day—[*laughter*]—I talked about how best to keep the country competitive. You know, some would lose confidence in the capacity of this country to lead, and kind of hide behind walls. That's not what we think. We're confident in America, and we're confident in our people, and we're confident that we can work together to put good policies in place that will keep this country the world's leader when it comes to the economy. So I'm looking forward to working with you to continue to be fiscally sound with the people's money and to put those tax cuts we put in place in a permanent status.

I'm looking forward to working with you on expanding health savings accounts so we can strengthen the doctor-patient relationship. I'm looking forward to working with you on making sure that we become less dependent on Middle Eastern oil by promoting alternative sources of energy. I'm looking forward to working with you on making sure our education system remains strong and our kids can learn math and science so we remain the most competitive nation in the world.

I'm looking forward to working with you, and I'm confident we'll continue the success we have had together. And so I've come to say thanks for your hard work in the past, and thanks for what we're going to do to make this country—to continue to be the greatest country on the face of the Earth.

God bless your work. May God continue to bless our country.

NOTE: The President spoke at 12:23 p.m. at the Hyatt Regency Chesapeake Bay.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

February 4

In the morning, at the Bush Ranch in Crawford, TX, the President had an intelligence briefing.

The White House announced that the President and Mrs. Bush will attend the funeral of Coretta Scott King on February 7.

February 5

In the morning, the President and Mrs. Bush returned to Washington, DC.

February 6

In the morning, the President had an intelligence briefing followed by a National Security Council meeting. Later, he had a telephone conversation with Daniel M. Rooney, chairman of the Pittsburgh Steelers football team, to congratulate him on the team's Super Bowl victory on February 5. He then had a telephone conversation with Amir Sabah al-Ahmad al-Jabir al-Sabah of Kuwait to offer his condolences on the death of his brother, Amir Jabir al-Ahmad al-Jabir al-Sabah, to wish him well as he takes the position, and to invite him to the White House at his convenience.

In the afternoon, in the Family Dining Room, the President and Mrs. Bush had lunch with former President Jose Maria Aznar of Spain and his wife, Ana Botella.

In the evening, in the East Room, the President and Mrs. Bush attended a performance honoring the Dance Theatre of Harlem.

February 7

In the morning, the President had a working breakfast with Attorney General Alberto R. Gonzales. Later, he had an intelligence briefing. He and Mrs. Bush then traveled to Lithonia, GA. While en route aboard Air Force One, he had a telephone conversation with Prime Minister Anders Fogh Rasmussen of Denmark to discuss the recent violence against Danish and other diplomatic facilities and the importance of religious tolerance and freedom of the press.

In the afternoon, the President and Mrs. Bush returned to Washington, DC.

In the evening, the President had a working dinner with King Abdullah II of Jordan and Members of Congress.

The President announced his intention to nominate Patricia P. Brister to be the U.S. Representative on the Commission on the Status of Women of the Economic and Social Council of the United Nations, with the rank of Ambassador.

The President announced his intention to appoint Sander R. Gerber as a member of the Board of Trustees of the Woodrow Wilson International Center of Scholars (Public).

The President announced his intention to appoint Tamala Lynne Longaberger as a member of the Board of Trustees of the Woodrow Wilson International Center of Scholars (Government Representative).

The President announced his intention to designate Peter Jon Thomas as Acting Assistant Secretary of Agriculture for Administration.

The President announced his intention to designate David E. Jeremiah, Arthur B. Culvahouse, and Donald L. Evans as members of the Intelligent Oversight Board.

February 8

In the morning, the President had an intelligence briefing. Later, he traveled to Manchester, NH, where, upon arrival, he met with USA Freedom Corps volunteer Vernette Reimel.

In the afternoon, the President returned to Washington, DC. Later, in Room 350 of the Dwight D. Eisenhower Executive Office Building, he dropped by a meeting of CEOs from the Business Roundtable. Then, in the Cabinet Room, he had a meeting with Republican congressional leaders to discuss legislative priorities.

February 9

In the morning, the President had a telephone conversation with Chancellor Angela Merkel of Germany to discuss foreign policy issues and the situation in the Middle East. Later, he had an intelligence briefing.

In the afternoon, in the Old Family Dining Room, the President had lunch with President Lech Kaczynski of Poland. Later, he participated in a meeting and photo opportunity with members of the Major Cities Chiefs Association and the Major County Sherrif's Association.

The White House announced that the President will welcome President Elias Antonio Saca Gonzalez of El Salvador to the White House on February 24.

The President announced his intention to nominate Andrew B. Steinberg to be Assistant Secretary of Transportation for Aviation and International Affairs.

The President announced his intention to appoint Julianna M. Cellini as a member of the Abraham Lincoln Bicentennial Commission.

The President announced his intention to appoint Trung Dung and Richard J. Wall as members of the Board of Directors of the Vietnam Education Foundation.

February 10

In the morning, the President had breakfast with Secretary of State Condoleezza Rice. Later, he had an intelligence briefing. Then, in the Oval Office, he met with Rebecca Garang, Minister of Transportation, Roads, and Bridges of the Government of Southern Sudan.

Later in the morning, the President traveled to Cambridge, MD.

In the afternoon, the President returned to Washington, DC.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted February 6

Armando J. Bucelo, Jr.,
of Florida, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 2008 (reappointment).

Benedict S. Cohen,
of the District of Columbia, to be General Counsel of the Department of the Army, vice Steven John Morello, Sr., resigned.

Todd S. Farha,
of Florida, to be a Director of the Securities Investor Protection Corporation for the remainder of the term expiring December 31, 2006, vice William Robert Timken, Jr., resigned.

Todd S. Farha,
of Florida, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 2009 (reappointment).

Robert M. McDowell,
of Virginia, to be a member of the Federal Communications Commission for a term of 5 years from July 1, 2004, vice Kathleen Q. Abernathy, resigned.

Mauricio J. Tamargo,
of Florida, to be Chairman of the Foreign Claims Settlement Commission of the United States for a term expiring September 30, 2009 (reappointment).

Submitted February 8

Patricia P. Brister,
of Louisiana, for the rank of Ambassador during her tenure of service as the Representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations.

Sandra Segal Ikuta,
of California, to be U.S. Circuit Judge for the Ninth Circuit, vice James R. Browning, retired.

Michael Brunson Wallace,
of Mississippi, to be U.S. Circuit Judge for the Fifth Circuit, vice Charles W. Pickering, Sr., retired.

Submitted February 10

Gordon England,
of Texas, to be Deputy Secretary of Defense, vice Paul D. Wolfowitz, resigned, to which position he was appointed during the last recess of the Senate.

Stephen Goldsmith,
of Indiana, to be a member of the Board of Directors of the Corporation for National and Community Service for a term expiring October 6, 2010 (reappointment), to which position he was appointed during the last recess of the Senate.

C. Boyden Gray,
of the District of Columbia, to be Representative of the United States of America to the European Union, with the rank and status of Ambassador Extraordinary and Plenipotentiary, vice Rockwell A. Schnabel, resigned, to which position he was appointed during the last recess of the Senate.

Floyd Hall,
of New Jersey, to be a member of the Reform Board (Amtrak) for a term of 5 years (reappointment), to which position he was appointed during the last recess of the Senate.

Tracy A. Henke,
of Missouri, to be Executive Director of the Office of State and Local Government Coordination and Preparedness, Department of Homeland Security, vice C. Suzanne Mencer, resigned, to which position she was appointed during the last recess of the Senate.

Nadine Hogan,
of Florida, to be a member of the Board of Directors of the Inter-American Foundation for a term expiring June 26, 2008 (reappointment), to which position she was appointed during the last recess of the Senate.

Peter N. Kirsanow,
of Ohio, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 2008, vice Ronald E. Meisburg, to which position he was appointed during the last recess of the Senate.

Robert D. Lenhard,
of Maryland, to be a member of the Federal Election Commission for a term expiring April 30, 2011, vice Danny Lee McDonald, term expired, to which position he was appointed during the last recess of the Senate.

Ronald E. Meisburg,
of Virginia, to be General Counsel of the National Labor Relations Board for a term of 4 years, vice Arthur F. Rosenfeld, term expired, to which position he was appointed during the last recess of the Senate.

Julie L. Myers,
of Kansas, to be an Assistant Secretary of Homeland Security, vice Michael J. Garcia, resigned, to which position she was appointed during the last recess of the Senate.

Benjamin A. Powell,
of Florida, to be General Counsel of the Office of the Director of National Intelligence (new position), to which position he was appointed during the last recess of the Senate.

Arthur F. Rosenfeld,
of Virginia, to be Federal Mediation and Conciliation Director, vice Peter J. Hurtgen, resigned, to which position he was appointed during the last recess of the Senate.

Ellen R. Sauerbrey,
of Maryland, to be an Assistant Secretary of State (Population, Refugees, and Migration), vice Arthur E. Dewey, resigned, to which position she was appointed during the last recess of the Senate.

Dorrance Smith,
of Virginia, to be an Assistant Secretary of Defense, vice Victoria Clarke, resigned, to which position he was appointed during the last recess of the Senate.

Enrique J. Sosa,
of Florida, to be a member of the Reform Board (Amtrak) for a term of 5 years (reappointment), to which position he was appointed during the last recess of the Senate.

Hans von Spakovsky,
of Georgia, to be a member of the Federal Election Commission for a term expiring April 30, 2011, vice Bradley A. Smith, resigned, to which position he was appointed during the last recess of the Senate.

Roger W. Wallace,
of Texas, to be a member of the Board of Directors of the Inter-American Foundation for a term expiring October 6, 2008 (reappointment), to which position he was appointed during the last recess of the Senate.

Dennis P. Walsh,
of Maryland, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 2009 (reappointment), to which position he was appointed during the last recess of the Senate.

Steven T. Walther,
of Nevada, to be a member of the Federal Election Commission for a term expiring April 30, 2009, vice Scott E. Thomas, term expired, to which position he was appointed during the last recess of the Senate.

Andrew B. Steinberg,
of Maryland, to be an Assistant Secretary of Transportation, vice Karan K. Bhatia.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released February 4

Statement by the Press Secretary announcing that the President and Mrs. Bush will attend the funeral of Coretta Scott King to be held on Tuesday in Atlanta

Statement by the Press Secretary on the burning of the Danish and Norwegian Embassies in Damascus, Syria

Released February 6

Transcript of a press briefing by Press Secretary Scott McClellan

Transcript of a press briefing by Office of Management and Budget Director Joshua B. Bolten on the President's Fiscal Year 2007 Budget

Transcript of a press briefing by Director of the Office of Faith-Based and Community Initiatives H. James Towey and Assistant to the President for Domestic Policy Claude Allen on the President's Fiscal Year '07 budget and low-income programs

Fact sheet: Highlights of the President's FY 2007 Budget

Released February 7

Transcript of a press gaggle by Press Secretary Scott McClellan

Released February 8

Transcript of a press gaggle by Press Secretary Scott McClellan

Fact sheet: President Bush Signs the Deficit Reduction Act

Released February 9

Transcript of a press briefing by Press Secretary Scott McClellan

Transcript of a press briefing by Assistant to the President for Homeland Security and Counterterrorism Frances Fragos Townsend on the west coast terrorist plot

Statement by the Press Secretary: Visit by President Elias Antonio Saca Gonzalez of El Salvador

Released February 10

Statement by the Press Secretary announcing that the President signed H.R. 4519

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.

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